



February, 4th 2018

TENDER No. RFP 029/2017

REQUEST FOR PROPOSAL (RFP)

CLOSING DATE: march 6th 2018 – 18:00 hrs - Brasília (BRT) TIME ZONE

The Food and Agriculture Organization of the United Nations (“FAO” or “Organization”) is an intergovernmental organization with more than 194 member nations. Since its inception, FAO has worked to alleviate poverty and hunger by promoting agricultural development, improved nutrition and the pursuit of food security - defined as the access of all people at all times to the food they need for an active and healthy life.

To achieve its goals, FAO cooperates with thousands of partners worldwide, from farmers' groups to traders, from non-governmental organizations to other UN agencies, from development banks to agribusiness firms (further and more detailed information on FAO can be found on the internet site: <http://www.fao.org>).

In preparing your proposal, you should take into account the international status and activities of FAO by submitting your best commercial terms. You should also be aware that FAO enjoys certain privileges and immunities which include exemption from payment of Value Added Tax ("VAT" or "IVA"), customs duties and importation restrictions.

The Food and Agriculture Organization of the United Nations requests assistance in connection with the implementation of a project entitled:

“Carry out field, sampling, quantitative and qualitative survey about the dynamic of the Brazilian rural lands market by collecting field information about dealings in the Brazilian rural lands market”.

Full details of the required services may be found in **Appendix A** to this Letter of Invitation.

You are hereby invited to submit your proposal in connection with the award of such services.

The invitation is subject to the following procedures and conditions, which you are deemed to have accepted by participating in this tender:

1. Procedures

- 1.1 A certain number of firms are being invited to submit proposals and FAO intends, without having committed itself in any way to any of the firms invited, to award the contract to the firm which is considered as having submitted the best proposal;
- 1.2 In submitting your proposal you are supposed to have considered all aspects relevant to the performance of the proposed contract and to have obtained all necessary information and data as to risks, contingencies and other circumstances which may influence or affect your proposal;
- 1.3 It is understood that all documents, calculations, etc., which may form part of your proposal will become the property of FAO, who will not be required to return them to the bidder;
- 1.4 All costs incurred to prepare your offer will be borne by you; FAO will not be liable to reimburse any or all of such cost;
- 1.5 At no point prior to the award of the contract shall bidders contact or request any information pertaining to the tender from FAO, its staff or technical unit responsible for this tender, outside the specific channel indicated under paragraph 6 below;
- 1.6 FAO may also decide to make a partial award or no award at all should it consider that the results of this tender so require;
- 1.7 Consortium of firms will be accepted provided that the companies indicate which firm will be the main Contractor and will be responsible for the signature of the relevant contract. Bidders adhering to the Consortium will have to notify FAO of their acceptance to participate in the Consortium;
- 1.8 FAO has adopted a zero tolerance approach to fraud, and it prohibits firms from engaging in corrupt, fraudulent, collusive, coercive, unethical and obstructive practices when participating in procurement activities. As provided by the Vendor Sanctions Procedures ([http://www.fao.org/fileadmin/user_upload/procurement/docs/FAO_Vendors_Sanctions_Policy - Procedures.pdf](http://www.fao.org/fileadmin/user_upload/procurement/docs/FAO_Vendors_Sanctions_Policy_-_Procedures.pdf)), if FAO determines that a firm has engaged in such conduct, it will impose sanctions and may share information on sanctioned firms with other Intergovernmental or UN Organizations;
- 1.9 A firm and its affiliates, agents and subcontractors should not be suspended, debarred, or otherwise identified as ineligible by any Intergovernmental or UN Organization, including any organization within the World Bank Group or any multi-lateral development bank, or by the institutions and bodies of economic integration organizations (e.g., the European Union). You are therefore required to disclose to FAO whether your firm, or any of your affiliates, agents or subcontractors, is subject to any sanction or temporary suspension imposed by any such organization or National Authority at any time during the three years prior to the contract or at any time throughout the execution of the contract. You acknowledge that a breach of this provision will entitle FAO to terminate its contract with your firm and that material misrepresentations on your status constitute a fraudulent practice;
- 1.10 Bidders must certify that their firm is not associated, directly or indirectly, with entities or individuals (i) that are associated with terrorism, as in the list maintained by the Security Council Committee established pursuant to its Resolutions 1267 (1999) and 1989 (2011), or (ii) that are the subject of sanctions or other enforcement measures promulgated by the United Nations

Security Council. Selected bidders also agree to undertake all reasonable efforts to ensure that none of the funds received from FAO under the awarded contract are used to provide support to individuals or entities associated with terrorism or that are the subject of Security Council sanctions. This provision must be included in any subcontracts, sub-agreements, or assignments entered into under the awarded contract. The bidder acknowledges and agrees that this provision is an essential term of the awarded contract and any breach of these obligations and warranties shall entitle FAO to terminate the contract immediately upon notice to the Contractor, without any liability for termination charges or any liability of any kind of FAO;

- 1.11 Bidders must certify that their firm/organization (including all members of a consortium, if applicable) and any subcontractors are not associated, directly or indirectly, with the consultant or any other entity who prepared the terms of reference or other bidding documents for the project;
- 1.12 Please note that bidders who use an independent consultant to assist in the preparation of offers may risk engaging in unacceptable practices if the same consultant assists another bidder to prepare an offer for the same tender. Bidders are reminded that they are fully responsible for the conduct of any consultant who may be used to prepare offers for FAO tenders and they should take all measures to ensure that any independent consultant engaged to assist in the preparation of an offer for a FAO tender has not and will not be involved in the preparation of an offer for another bidder for the same tender process.

Bidders are kindly requested to disclose to the best of their knowledge whether their firm/organization has any personal or professional relationships with FAO. The disclosure shall include all relevant details and should include, but not be limited to:

- **ANY** current or past employment relationship between your firm/organization's representatives or employees and FAO;
- **ANY** current or past relationship between your firm/organization's representatives or employees and an FAO staff member (family members, spouses, etc.).

- 1.13 FAO reserves the right to publish the details of awards, including supplier name and country, total Contract value and a brief description of the services. In all cases, unsuccessful bidders will be notified.

2. Evaluation

The proposals received will be evaluated by applying the mandatory requirements indicated in paragraph 2.1 below and the qualitative evaluation criteria indicated in paragraph 2.2 below. Pass/Fail methodology will be used for the mandatory requirements, whilst the qualitative evaluation criteria will be rated. The qualitative criteria will have a weighting of 60% on the final evaluation results, and the price will have a weighting of the remaining 40%.

FAO reserves the right to:

- a) consider, and disqualify firms based on, documented prior poor performance, including but not limited to poor quality of goods or services provided, late delivery and unsatisfactory performance.

- b) consider, and disqualify firms based on their financial standing.
- c) have further discussions/negotiations with the Bidder prior to issuance of a letter of acceptance.

2.1 Mandatory Requirements

Bidders are required to fulfil the following mandatory requirements.

Failure to fulfil any one of the requirements will lead to immediate exclusion.

Administrative:

- a) Notarized and/or authenticated copies of (i) a valid legal Company Registration Certificate showing that the company has been in business for a minimum 3 years; (ii) a valid Tax Clearance Certificate;

Financial:

- b) Audited financial statements of the bidder for the past three (3) years showing good financial situation;

Technical:

- c) Minimum of 3 surveys of similar value and scale carried out in the past 5 years as lead firm;
- d) Minimum (1) previous proven experience in survey with mobile/electronic data collection
- e) The technical team, the bidder should be staffed with the following professionals:

#	PROFESSIONAL	QUALIFICATION/ EXPERIENCE
COORDINATION:		
01	Coordinator	Professional with university degree in economics, statistics, social policy, sociology, development studies, agronomy, or other relevant subjects, with proven experience of at least 10 years in the coordination or supervision of field surveys. Knowledge in surveys oriented to rural areas is an asset.
TECHNICAL TEAM:		
01	Agronomist	Professional with University degree in Agronomy, preferably with 2 years of experience in properties evaluation.
02	Information Technology	Professional with university degree in the field of Information Technology, preferably with 2 years of experience/knowledge in database managerial routines, creation/maintenance of database structure, network and security administration.
FIELD RESEARCH TEAM:		
01	Interviewers	<ul style="list-style-type: none"> - Agronomists or individuals with university degree with 2 years of experience in similar areas; - Agricultural technicians; - Agronomy students

2.2 Qualitative Evaluation Criteria:

The bids will be evaluated according to the following criteria:

Evaluation criteria	Max points
Technical criteria subdivided in 3 categories:	
<p>Firm's Qualification and Experience</p> <p>a) Capacity to manage and control surveys by presenting certificates of technical capacity issued by the previous contractors showing that the bidder has fully accomplished the contract with information about the service provided and its dimension</p> <p>b) Quality Management System, ISO 9001 or equivalent</p>	15
<p>Technical team's Qualification and Experience</p> <p>a) Coordinator</p> <ul style="list-style-type: none"> - Experience in the development of qualitative research instruments - Experience in surveys oriented to rural areas by presenting certificates of technical capacity. <p>b) Expert(s)</p> <ul style="list-style-type: none"> - Complementary training or professional experience of the Agronomist in the field of agronomy with experience in evaluation of properties. - Complementary training or professional experience of the Information Technician in the field of Information Technology with knowledge in database managerial routines, creation/maintenance of database structure, network and security administration. 	30
<p>Technical Proposal Responsiveness (Work plan, methodology and approach)</p> <p>a) The methodological proposal submitted by the bidder covers all the details of the survey indicated in the term of reference to develop satisfactory field research;</p> <p>b) The different project components have been duly weighted in relation to one another;</p> <p>c) The conditions established in TOR, such as interviewee profiles, interviewed property profile, questionnaire and system, interview form (personal and not by telephone, for example) are duly exemplified in the proposal technical?</p> <p>d) The presentation is clear and the sequence of activities and planning are logical, realistic and promise the efficient project implementation;</p>	55
Total	100

Pass score: Bidders should score at least 60 points of the maximum score of 100 in their technical proposal in order to be considered for the next stage of the evaluation. Bidders with a score below the minimum required for any criteria category will be disqualified.

* Points for the financial offers will be calculated according to the following formula:

Points = (A/B)*40

Example: Bidder A's price is the lowest at \$10.00. Bidder A receives 40 points

Bidder B's price is \$20.00. Offer B receives $(\$10.00/\$20.00) * 40 = 20$ points

Bidder C's price is \$25.00. Offer C receives $(\$10.00/\$25.00) * 40 = 16$ points

3. Documents Enclosed

To facilitate preparing your proposal the following documents are enclosed:

- 3.1 The "**Proposal Summary**" form, to be used for submitting your proposal;
- 3.2 Appendix A to the Letter of Invitation, which provides the "**Terms of Reference**" related to the services being requested;
- 3.3 Appendix B to the Letter of Invitation, which provides the "**Financial Proposal Form**"; and
- 3.4 The **draft Contract** FAO intends to award consisting of the Sections I and II, and relevant Annexes.

4. Documents to be submitted

The proposal should be submitted in **two (2) separate parts** (i.e., two different envelopes) consisting respectively of **Part A) Technical Proposal** and **Part B) Financial Proposal** which should be prepared as follows:

4.1 Part A) Technical Proposal:

- 4.1.1 Information/Documents to support the Mandatory Requirements indicated in paragraph 2.1 and qualitative evaluation criteria indicated in paragraph 2.2 above;
- 4.1.2 The duly completed "Proposal Summary" mentioned in paragraph 3.1 above, using the form enclosed herewith or copies of such form; and
- 4.1.3 The Technical Proposal prepared in line with the information provided in Appendix A to this Letter of Invitation (paragraph 3.2 above).

4.2. Part B) Financial Proposal:

- 4.2.1 The information requested in Appendix C to the Letter of Invitation (paragraph 3.4 above).

5. Form of Submission and Closing Date

- 5.1 Your **Technical Proposal** and **Financial Proposal envelopes** should be submitted COMPLETELY SEPARATE and each of them must be submitted sealed individually and clearly marked on the outside as either “TECHNICAL PROPOSAL” or “FINANCIAL PROPOSAL”, as appropriate. In case of email submission, your **Technical Proposal (Stage I)** and **Financial Proposal (Stage II)** should be submitted as attachments under separate e-mail messages, as follows:

TO ENSURE THE VALIDITY OF YOUR PROPOSAL, IT MUST BE SUBMITTED BY THE FOLLOWING METHOD: Offers received by any means other than indicated herein will be considered **INVALID!**

1. IN TWO DIFFERENT SEALED ENVELOPES + DIGITAL MEDIA WITH THE CONTENT OF THE PROPOSAL

Each envelope **MUST** clearly indicate the name of the Proposer.

The outer envelopes shall bear the address of FAO as specified below and shall include the Proposer’s name and address, as well as a warning that state “**NOT TO BE OPENED BEFORE THE TIME AND DATE FOR PROPOSAL OPENING**” as specified in paragraph 5.2 below.

2. RECEIVED ON OR BEFORE THE CLOSING DATE AND TIME.

PROPOSALS RECEIVED AFTER THE CLOSING DATE AND TIME WILL BE CONSIDERED INVALID!

3. OFFERS ARE TREATED AS CONFIDENTIAL - PLEASE DO NOT COPY ANY OTHER RECIPIENT.

- 5.2 Your proposal should reach FAO not later than **18.00** hours Brasília (BRT) TIME ZONE on: **March 6th 2018** at the following address:

Escritório da Representação da FAO no Brasil
Avenida S-1 Oeste, Campus do INMET – Setor Sudoeste
CEP 70.680-900 – Brasília (DF) – Brazil
Att: Unidade de Operações – LICITAÇÕES

- 5.3 We would appreciate your acknowledging receipt of this invitation and indicating your intention as to whether or not you will submit a bid via e-mail to the following address: FAOBR-LICITACAO@FAO.ORG

6. Communications Concerning this Tender:

All communications concerning this tender should mention the tender number (**Tender RFP No. 029/2017**) and should be sent via e-mail to the following address: FAOBR-LICITACAO@FAO.ORG

IMPORTANT: Deadline for technical questions is February 16th 2018.

It is regretted that information cannot be provided by telephone.

7. Registration with FAO (Services)

In the case that your firm is not yet registered as a potential contractor with FAO, you are kindly requested register with the United Nations Global Marketplace (UNGM), www.ungm.org, even if you do not intend to participate in this tender. Registration as a vendor in UNGM is a prerequisite for receiving an award from FAO. If you have any difficulties registering, please contact UNGM team using help button on the web site www.ungm.org.

8. Completeness of Proposal

A proposal will only be considered if it contains all of the above information and documents and observes the provisions of the enclosed draft contract. Incomplete proposals may be rejected as otherwise it will not be possible to evaluate all proposals on an equal basis.

9. Participation by FAO

You should examine carefully the nature and extent of the participation in the contract performance by FAO as set out in Part III of the "Proposal Summary" as it is assumed that all other requirements for its successful completion are provided at the cost of the contractor. **You should therefore state in the appropriate space any additions or modifications which you suggest for a satisfactory performance of the framework agreement.**

10. Privileges and Immunities

FAO enjoys certain privileges and immunities which include exemption from payment of "IVA" (VAT), customs duties and importation restrictions.

11. Currency of Proposal and of Contract

Your proposal should be expressed in **BRL – R\$** and in **Portuguese language**.

12. Bidder Protests

Fairness and transparency are fundamental principles for FAO procurement activities. Bidders that believe that the procurement process was not fair and transparent may request feedback from the office that issued the tender. If a satisfactory response is not received, the bidder may present a protest following the instructions detailed in the following link: <http://www.fao.org/unfao/procurement/codedeconduitethique/protests/en/>

To report allegations of fraud or misconduct in the procurement process, bidders may submit information, also anonymously, to the Office of the Inspector General Hotline: <http://www.fao.org/aud/69204/en/>.

May I take this opportunity of expressing our appreciation of your interest in assisting the Organization in the implementation of this undertaking.

Yours sincerely,

PROPOSAL SUMMARY

Instructions: Please complete the spaces left blank below. All documents are to be provided in Portuguese language

PART I: Mandatory Requirements

I certify to have submitted all the information/documents requested for the Mandatory Requirements set forth under paragraph 2.1 of the Letter of Invitation and which are:

[...]

PART II: Commencement of Contract Performance

I undertake to commence the performance of the contract within [X days/weeks] of the contract itself duly signed by FAO and complete the required services [X weeks/months] from contract start date.

PART III: Participation by FAO in the Contract

Either:

I certify that the inputs to be provided by FAO, as set out in the Letter of Invitation are adequate and sufficient for a satisfactory contract performance;

or

For a satisfactory contract performance, the following would have to be provided (please indicate the related costs only in your financial offer):

PART IV: Financial Offer

I hereby confirm that I have completed **Appendix C** to the Letter of Invitation showing the costs proposed for the requested services.

PART V: Completeness of Proposal

I certify that my proposal complies with **Appendix A** to the Letter of Invitation.

I certify that I have submitted the duly completed **Appendix B** to the Letter of Invitation.

- I confirm having obtained all relevant data and information as regards risk, and any other circumstances which may influence or affect the performance of the contract, which have been duly taken into account in the formulation of this proposal.
- I understand that the contract resulting from this Tender will be a **lumpsum contract** based on the total amount of the Proposal submitted, the amount of which will represent the maximum financial liability of the Organization.
- I understand that services/items for which no separate price is entered by the Bidder will be deemed included in the total lumpsum.

PART VI: Certification of Proper Procedures

- I certify that my firm/organization (including all members of a consortium, if applicable) and its subcontractors are not associated, directly or indirectly, with the consultant or any other entity who prepared the terms of reference or other bidding documents for the project.
- I acknowledge that my firm is responsible for any consultant, including independent consultants, who assists in the preparation of offers and confirm that my firm has taken all measures to ensure that any independent consultant engaged to assist in preparing this offer has not and will not be involved in the preparation of another bid for another bidder for the same tender process.

PART VII: Conflict of Interest Disclosure

Either:

- To the best of my knowledge, I confirm that none of my firm's representatives or employees has a current or former employment relationship with FAO, and none of my firm's representatives or employees have a current or past relationship with an FAO staff member (family members, spouses, etc.).

or

- I have provided below details regarding the following representatives or employees of my firm who have a current or former employment relationship with FAO and/or who have a current or past relationship with an FAO staff member:

PART VIII: Contract Provisions

- I confirm that I have read and that I accept the standard provisions set forth in the said General Terms and Conditions for Services and I do not have any reservation.

- I certify that my firm has not and will not engage in corrupt, fraudulent, collusive, coercive, unethical or obstructive practices during the selection process and throughout the negotiation and execution of the contract.

- I confirm that my firm, including any affiliates, agents or subcontractors, is not subject to any sanction or temporary suspension imposed by an Intergovernmental or UN Organization, including any organization within the World Bank Group or any multi-lateral development bank, or by an institution or body of an economic integration organization (e.g., the European Union). If my firm, or any affiliates, agents or subcontractors, has been subject to any temporary suspension or sanction by any such organization or a National Authority within the preceding three years, I have provided further information below:

- I certify that my firm is not associated with any individual or entity appearing on the 1267/1989 list of the UN Security Council or with any individual or entity subject to any other sanctions or enforcement measures promulgated by the UN Security Council.

- I confirm that the terms and conditions of the draft contract as enclosed with this Letter of Invitation are acceptable except for the reservations explicitly set out in this Proposal Summary.

PART IX: Validity of Proposal

- This proposal is valid for acceptance for a period of TWELVE (12) MONTHS as from the deadline for the submission of the proposal indicated in the Letter of Invitation.

Name of Bidder: _____

Mailing Address: _____

UNGM #: _____

Fax: _____ Tel: _____

Email: _____

Person(s) to Contact: _____

Signature: _____ Date: _____

Name & Title: _____

Firm's Seal: _____

TERMS OF REFERENCE

1. OBJECT

Carry out field, sampling, quantitative and qualitative survey about the dynamic of the Brazilian rural lands market by collecting field information about dealings in the Brazilian rural lands market. The survey will comprise rural property owners that negotiated their properties in the last four years, in 10 Brazilian States and the Federal District, on the area comprised by the RIDE, totaling 4,200 questionnaires.

2. JUSTIFICATION

The Sub-secretariat of Agrarian Rearrangement (*Subsecretaria de Reordenamento Agrário* or SRA) of the Special Secretariat of Family Agriculture and Agrarian Development (*Especial de Agricultura Familiar e do Desenvolvimento Agrário* or SEAD) develops several actions aimed to strengthen Family Agriculture and fight rural poverty in Brazil. Among others, it offers credit for landless farmers to purchase properties, through the National Program of Land Credit (*Programa Nacional de Crédito Fundiário* or PNCF) established in 2003.

The Program counts on the active participation of beneficiaries who have full autonomy to outline the land funding proposals, select the property and negotiate prices. As a way to minimize the high property speculation on the land supply value, main due to the lack of a culture of negotiating the property price and due to the asymmetry of information about the local lands market to the PNCF beneficiaries and real land sellers, the SRA developed the Land Market Monitoring System (*Sistema de Monitoramento do Mercado de Terras* or SMMT) as a supporting tool to fight the rural land speculation and implement the culture of negotiating the property value. This entails savings to the government and to the beneficiary.

Therefore, the SMMT - which is operational since 2007 - tries to reflect the actual market dynamic by providing reference values for the properties funded by the PNCF, and also calculates the additional bonus.

As a way to support the information collection generated by the SMMT, in the last years the SRA has consistently monitored the prices of properties in the funding proposals of the National Land Credit Program (PNCF). Moreover, it performs comparative analyses with the price quotations presented by two land market surveys performed by the SRA in 2007 and 2013. The surveys incorporated to the System data on more than 12,000 private lands purchasing, with properties similar to the PNCF lands purchase profile. This contributed to improve the information generated by the Lands Market Monitoring System (SMMT) mainly regarding the calibration and accuracy when calculating the reference values to the properties to be funded by the PNCF.

Now, some years after the information about the dealings was inputted, a complementary field survey is required to incorporate information of dealings in 10 Brazilian States and the Federal

District (RIDE) on a geographic area that was not comprised by the 2013 survey. The field survey will subsidize the comparative analyses with the information existing and generated by the Lands Market Monitoring System (SMMT). This will improve the calibration of the equations and the reference lands values it generates, contributing to understand the dynamic reality of this market, increasing its degree of reliability regarding the values presented by the SMMT.

3. GENERAL OBJECTIVE

Carry out a survey comprising rural land owners that have negotiated their properties in the last 4 (four) years in 10 Brazilian states and the Federal District, in the RIDE area, according to the sampling design (item 41), totaling 4,200 (four thousand two hundred) questionnaires with the template provided by FAO.

4. SCOPE

The SMMT methodology is based on studies to set land price in specific markets, using the analysis of the lands market working in more homogeneous spaces defined based on specific characteristics such as: Agronomic conditions; property location; types of agents working in the market; expected sales prices; regional development, among others.

In this sense, the system divides the States in Homogeneous Zones, using clustering techniques to group municipalities with similar characteristics. To that, it uses economic, agronomic and social variables.

In order to underpin the methodology developed to the Lands Market Monitoring System (SMMT), field surveys were performed in 2007 and 2013, gathering information on rural property dealings in specific markets. The survey is based on a specific method developed to the SMMT.

In order to improve its work, supplementary field surveys will be carried out in 10 Brazilian States and the Federal District (RIDE) prioritizing regions where the SMMT needs more data to gather information on rural property dealings. The information will be processed and added to the SMMT database.

The field researchers' team will collect the information. The team will be made up by technicians previously trained by the Contracted Party following the instructions by FAO. Data collection should start with the primary data survey on the purchasing of rural properties since 2013, which should be at least 90% of the sample. This survey will also record businesses made between 2011 and 2012, limited to 10% of the sample.

As provided for in item 15.2 of this Term of Reference, FAO reserves the right to check at the Real Estate Notary Offices the records of the purchase of the properties object of the field survey performed by the Contracted Party, as well as verify the effective application of the questionnaires among the purchasers of the aforementioned rural lands.

After identifying the purchase of lands, parts and properties in question, the field research data will be collected through interview with specific questionnaires to be applied among the purchasers (current owners) of those rural properties.

To perform the field survey the Contracted firm will have the questionnaire designed by FAO adjusted to the SMMT. The data gathered with the property purchasers will be electronically inputted in the SMMT by the contacted firm to ensure timeliness and reliability of information and prompt following-up on the field researchers' performance and the interviews application by the Contracted firm.

Services will be rendered for fixed time in compliance with the maximum workload defined by law, with personnel trained and skilled to carry out the field research activities. The Contracted firm will be in charge of contracting the members of the Coordination, Technical Team, Field Researchers and others to carry out the services envisaged in this Term of Reference through the instruments provided for in the Brazilian Labor Law and the provisions of the Agreements (Homologated Collective Labor Conventions) for the professional categories involved in the services delivery.

5. SAMPLING DESIGN AND GEOGRAPHIC SCOPE

The State part of the sampling design, the number of pre-selected municipalities and the quantity of forms to be applied in the field survey should be as follows:

States	ZHPs #	# of Municipalities	# of Forms
AL	3	17	300
BA	5	57	600
ES	4	20	400
DF (RIDE)	2	22	400
MG	6	55	600
MS	4	20	400
MT	3	17	300
PI	3	34	400
PA	4	20	400
RJ	3	15	200
RO	2	11	200
Brazil	29	288	4.200

The geographic scope of the study is in the Excel file attached hereto which contains information about the number of questionnaires per State, Homogenous Price Zone (ZHPs) and Municipalities where information will be collected.

For all states a collection procedure regarding the time distribution (businesses in a given period of time) and the area size (properties purchased in a given area range) is schedule to learn about the lands market dynamic.

Regarding the size of the rural properties to be comprised by the survey, the Contracted firm will assemble the sampling with at least 60% of the rural properties ranging from 5 to 100 ha. The remaining sampling may be made up by properties larger than 100 ha, while data for properties smaller than 5 ha will be considered invalid.

In relation to time stratification, the sampling design for the requested batch should focus on the purchases of rural properties since 2010. However, the survey will allow the registry of businesses made between 2008 and 2009, limited to 10% of the sampling, and questionnaires incompliant to this stratification will be invalidated.

If no information can be found in a pre-determined municipality following the criteria set by the survey, the researcher must go to the closest municipality in the same ZHP and state to complete the survey. S/he should contact the research works coordination to get authorization to replace by or complement at another municipality. The authorization aims to keep the research randomness and the boundaries of the Homogeneous Price Zones - ZHP.

No information from properties funded by land credit programs (Cédula da Terra, Banco da Terra, Projeto de Combate a Pobreza Rural – PCPR, Programa Nacional de Crédito Fundiário – PNCF) or from expropriation for social interest will be included in the research sampling.

6. DATA COLLECTION METHOD

Data collection starts from the identification of the person to be interviewed, i.e., the rural property purchaser. Therefore, the Contracted firm should employ proper methods to identify the land transactions performed in the pre-established municipalities, ensuring compliance with FAO's instructions and the objective of this tender, pursuant to item 15.2 of this Term of Reference.

6.1. Interview with the owner

Qualitative and quantitative data, just like the amount paid for the property, will be collected among the land purchasers, i.e., current owners.

After introducing themselves and disclosing the research purposes, the team should explain that data will not be disclosed. As far as possible, questions should be in the respondent's language.

Presentation letters should be drafted and identification badges should be prepared to the field researchers in order to facilitate this approach.

The contracted firm will electronically input the data collected among the property owners in the SMMT via internet to ensure speediness and reliability of the information to be provided.

The field survey will be monitored through the analysis of the data submitted by interviewers to the System, observing the interviews and the research development in real time.

FAO's technical team will cross the SMMT existing information with those collected through interviews and made available to FAO to compare information and evaluate its integrity and consistency.

FAO reserves the right to appoint a technician for in loco visit to inspect data collection and evidence the legitimacy of the collected data.

7. BATCH'S DEFINITION

Services are divided in 10 batches presented in the chart below, which also show the number of questionnaires to be applied to each batch and the number of municipalities covered by the survey.

Batch #	States	# of Questionnaires	# of Municipalities
1	Rondônia	200	11
2	Pará	400	20
3	Mato Grosso do Sul	400	20
4	Mato Grosso	300	17
5	DF (RIDE)	400	22
6	Espírito Santo and Rio de Janeiro	600	35
7	Minas Gerais	600	55
8	Bahia	600	57
9	Alagoas	300	17
10	Piauí	400	34

8. SERVICES DELIVERY SITE

The contracted firm(s) will deliver services at its' own facilities and/or affiliates and in the municipalities of the States of the respective batches, in the segments and quantities foreseen.

All expenses with transportation, meals and accommodation resulting from the required displacement to perform activities will be afforded by the Contracted firm and should be included in the total cost presented in the proposal.

9. DELIVERABLES

The firm contracted to each batch should deliver at least the following outputs:

- I) Output 1: Work Plan:
 - List of professionals part of the batch's field research team;
 - The batch's routes execution timetable;
 - Team Training Report and Pilot Survey (made up by the photographic record of trainings, attendance cards and material used).
 - Guidance material to the field researchers (Handbook to the Field Researcher);

- II) Output 2: First phase of the field research
 - Input of survey questionnaires applied corresponding to 30% of the total for the batch in the SMMT.
 - Document with the list of the survey questionnaires applied corresponding to 30% of the batch, with the following fields (digital .xls file): Form code; municipality of the property, stat; interviewer's name; interviewer's CPF; purchaser's name; purchaser's CPF; property registration municipality; property area; property value; purchase date (mm/yyyy).

- III) Output 3: Second phase of the field research
 - Input of research questionnaires applied corresponding to 40% of the total for the batch in the SMMT.
 - Document with the list of the survey questionnaires applied corresponding to additional 40% of the batch, totaling 70% of the batch, with the following fields (digital .xls file): Form code; municipality of the property, stat; interviewer's name; interviewer's CPF; purchaser's name; purchaser's CPF; property registration municipality; property area; property value; purchase date (mm/yyyy).

- IV) Output 4: Third phase of the field research
 - Input of research questionnaires applied corresponding to additional 30% of the total for the batch in the SMMT, totaling 100%.
 - Document with the list of the survey questionnaires applied corresponding to additional 30% of the batch, totaling 100% of the batch, with the following fields (digital .xls file): Form code; municipality of the property, stat; interviewer's name; interviewer's CPF; purchaser's name; purchaser's CPF; property registration municipality; property area; property value; purchase date (mm/yyyy).

10. EXECUTION SCHEDULE

10.1. In principle, the Outputs should be consolidated, made available and approved within 120 (one hundred twenty) days.

OUTPUT 1	Up to 30 days after the contract signing
OUTPUT 2	Up to 60 days after the contract signing
OUTPUT 3	Up to 90 days after the contract signing
OUTPUT 4	Up to 120 days after the contract signing

10.2. An overall schedule of the Project should be prepared showing the term to develop each Product and should be part of the Work Plan to be presented by the Contracted firm, considering the terms above.

10.3 After the delivery of each output, FAO will have 20 consecutive days to the analysis and approval of the output. If the output does not comply with the specifications of this Call for Bid or if does not meet FAO's expectations, the Contracted firm should change it in no longer than 10 consecutive days. After the delivery of the amended output, FAO will have 15 days for the new analysis and approval of the output.

10.4. The Contracted Party should train its researchers in information collection, application of questionnaires among land owners and data input in the SMMT system. FAO should be informed in advance about the training dates and locations. The Output 1 should comprise the photographic record of the training sessions with the respective attendance cards.

11. PAYMENT

11.1 Payments will be made upon submission of the Invoice/ Valid Fiscal Document duly certified by the Project General Coordinator or National Director or FAO Staff, in up to Thirty (30) days as of the delivery of the output and respective invoice at FAO Office in Brazil, provided no complementation and/or amendment is required pursuant to this Term of Reference.

11.2. To each batch, payment will be made in 4 (four) installments, as follows:

Installment	Output and conditions	% of the Contract Value
First	Upon validation and acceptance of Output 1	10%
Second	Upon validation and acceptance of Output 2	25%
Third	Upon validation and acceptance of Output 3	25%
Fourth	Upon validation and acceptance of Output 4	40%

11.3 Outputs will only be accepted after the analysis and approval by FAO.

12. FINANCIAL PROPOSAL

12.1 The financial proposal shall list all costs related to the service including (a) personnel (foreign and local, field and office) remuneration; and, (b) expenses such as subsistence (per diem, accommodation), transportation (national and local, for mobilization and demobilization), services and equipment (vehicles, office supplies, furniture and materials), office lease, insurance, documents printing, surveys and training as well as social, labor, social security, fiscal and commercial charges, fees, insurances and other expenses directly or indirectly levied on the performance of the services object of this tender. Costs should be detailed by activity and local expenses, whenever applicable.

12.2. The proposal should clearly identify in separate the local taxes, social security, charges, fees and other taxes under the responsibility of the firm, its subcontracted companies and related team (except for nationals or those with permanent residence in Brazil).

12.3 Any proposal clearly undervalued in relation to the market values, to this kind of evaluation, should be disqualified.

13. EVALUATION

Special Considerations

- i. In order to assess the firm's qualification and experience:
 - a. Presentation of documents such as: Certificates, technical capacity certificates and statements certifying the performance of project or consultancy service with information enough to allow the proper analysis of the experiences. It should also bear relevant information about the issuer with contact reference.

- ii. To assess the training and experience of the general coordinator and technical team:
 - a. Academic Background: The training/degree should be evidence through the copy of the diploma or certification of undergraduate course conclusion, graduation course (specialization, Master's or Doctor's degree), registered and certified in eligible country. To evidence the requested documents (professional registration, diploma, etc.) the bidder should submit copy of the documents, reserving the commission's right to evidence authenticity by requesting the presentation of the original document.
 - b. Experience: Professional experience should be evidenced through the résumé, informing the places of work and respective contact officers, the office held, work period, etc. Other documents evidencing the professional experience, such as information about published books or articles, detailed information about the scope of services performed, studies or reports delivered, etc., should be attached to the résumé.

Note: FAO reserves the right to perform acts with the bidders to clarify any eventual information deemed as necessary, presented in the proposal and/or incompatible with the descriptions made.

13.1 The professionals presented for qualification purposes should be available to perform the works defined in this Term of Reference.

13.2. The Contracted firm should provide other professional categories required to deliver the final Outputs provided for in item 9, and the related costs should be included in the financial proposal.

13.3 If during the contract any team member should be replaced, regardless the reason alleged, the Contracted firm should submit to FAO's approval the résumé of a professional with the same level of education and experience required herein to that professional.

13.4 Data related to the Field Research Team should be presented exclusively in Output 1 observing the required professional qualification as presented in the table of item 14.2 above.

13.5 The company will be responsible for the aforementioned documents and for the professionals presented to make up the technical team.

13.6 The failure in presenting or evidencing any of the aforementioned items will result in the bidder's ineligibility and disqualification.

14. RESEARCH AUDITING

14.1. FAO will check the data inputted by the Contracted Firm in the SMMT, analyzing its consistency, information sources and authenticity. Verification will be by sample and can comprise up to 100% of the questionnaires inputted in the System by the Contracted firm.

14.2. FAO reserves the right to survey the information at the Property Registry Notary Offices in the area comprised by the research to analyze the records referring to the negotiations of the properties whose information has been inputted in the SMMT by the Contracted firm, as well as check with the rural properties' owners if the interview was carried out, in order to verify the effective compliance with the services hired.

- a. FAO will arrange the full removal of the questionnaire data inputted in the SMMT and will account as discharge whenever it finds:
 - i. The inexistence of legal record about the purchase of the rural property by the owner interviewed by the Contracted firm;
 - ii. Contracted firm's failure in applying the questionnaire among owners/purchasers of rural properties;
 - iii. Partial input of the questionnaire data in the SMMT by the Contracted firm;

- iv. Information inconsistency, misentries and/or mistyping of questionnaires registered by the Contracted firm in the SMMT.
- b. The maximum discharge of questionnaires acceptable to each of the Outputs 2, 3 and 4 is 5% (five percent); above that, the Output will be rejected and the respective payment will be withheld;
- c. If the Contracted firm exceeds the threshold of 5% of questionnaires discharged for the Output, it can make the necessary corrections to normalize the services delivery and further release of the Output payment observing the terms provided for in item 7.3 above. Under no circumstance Outputs 2, 3 and 4 will be paid if these do not meet this requirement.

15. RESPONSIBILITY FOR SUPERVISING THE CONSULTANCY SERVICE

The national executing entity of the Technical Cooperation Project PCT UTF/BRA/083 – New productive and social organizations of the Brazilian family agriculture - will be in charge of monitoring and supervising the technical services of the Contracted Consultancy Services, as well as of authorizing the payment of such services which, after cleared, will be submitted to FAO to verify and confirm the outputs to proceed with the payment procedures pursuant to the Handbook of Rules and Procedures.

16. OUTPUTS' OWNERSHIP

Any output from the execution of the services contracted hereby will be of exclusive property of the Technical Cooperation Project UTF/BRA/083 – New productive and social organization of the Brazilian family agriculture - , and cannot be disseminated, reproduced or used without the written authorization of the PCT Board of Directors. They can only be quoted as reference after final approval.

18. Timeline of Performance

Please provide, a **breakdown of all the activities** you propose for the performance of this contract together with the relevant information. The workplan should include all main activities and deliverables requested by FAO in the RFP document and this **Appendix A**, as well as any additional value-added activities and deliverables you are proposing.

Appendix B

FINANCIAL PROPOSAL FORM

The Proposer is required to prepare the Financial Proposal in an envelope/email separate from the rest of the RFP.

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

The format shown on the following below is suggested for use as a guide in preparing the Financial Offer Form. The format includes specific expenditures, which may or may not be required or applicable but are indicated to serve as examples.

FAO requests that you submit your financial offer according to the format below. Please insert as many lines as you need. The main activities should correspond to the main activities described in the workplan. Please note that the below is a detailed breakdown of the **total costs** for the project.

The format includes specific expenditures, which may or may not be required or applicable but are indicated to serve as examples.

Please indicate for which **BATCH** this proposal is for.

A. Cost Breakdown per Outputs*

SN	Output [list them as referred to in the TOR]	Percentage of Total Price (Weight for payment)	Price (Lump Sum, All Inclusive)
1	Output 1	10%	
2	Output 2	25%	
3	Output 3	25%	
4	Output 4	40%	
	Total	100%	

*Basis for payment tranches

B. Cost Breakdown by Cost Component:

The Proposers are requested to provide the cost breakdown for the above given prices for each deliverable based on the following format. FAO shall use the cost breakdown for the price reasonability assessment purposes as well as the calculation of price in the event that both parties have agreed to add new deliverables to the scope of Services.

Expenses	Unit type	Number of Unit	Unit costs	Total
Activity A : Specify the main activity - this should correspond to the main activity heading of the workplan				
Personnel				

Travel (please create sub-line for the different components: flights, accommodation, allowance, other)				
Other (specify)				
Other (specify)				
Subtotal A				
Activity B				
Personnel				
Travel (please create sub-line for the different components: flights, accommodation, allowance, other)				
Other (specify)				
Other (specify)				
Subtotal B				
Activity C:				
Personnel				
Travel (please create sub-line for the different components: flights, accommodation, allowance, other)				
Other (specify)				
Other (specify)				
Subtotal C				
D: Other expenses (please include here all costs that are not related to any specify activity. Please specify the nature of these costs				
Other (specify)				
Other (specify)				
Subtotal D				
TOTAL A + B + C + D				

*** It is understood that this amount is a lumpsum and includes all costs incurred for the completion of all activities involved in the performance of this contract.**

[PLEASE ADJUST FORM AS APPROPRIATE]

CONTRACT No. (...)

FOR THE PROVISION OF

(...)

BETWEEN

THE FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

&

.....
(Name of Contractor)

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ANNEXES I – VI

I. STATEMENT OF SERVICES AND SPECIFICATIONS

II. COST OF DELIVERABLES

III. SCHEDULE OF REPORTS AND/OR DOCUMENTS

IV. SCHEDULE OF CONTRACT PERFORMANCE

V. SERVICES AND FACILITIES PROVIDED BY FAO

VI. SCHEDULE AND METHOD OF PAYMENT

THIS CONTRACT FOR THE PROVISION OF (...) is made on (...),

BETWEEN:

The Food and Agriculture Organization of the United Nations (“FAO”), an intergovernmental organization established on 16 October 1945 as a Specialized Agency of the United Nations, having its headquarters in Rome, Italy, and having an office at (...);

AND:

..... (***Name of Contractor***), a corporation organized and existing under the laws of (.....***Country of Contractor***) and having its principal offices at (...***Address of Contractor***) (the “Contractor”);

FAO and the Contractor are hereinafter collectively referred to as the “Parties”;

WHEREAS:

A. FAO, in accordance with its Constitution, cooperates with governments, civil society organizations and other partners, to alleviate poverty and hunger by promoting agricultural development, improved nutrition and the pursuit of food security.

B. FAO wishes to procure **“a Survey for Carrying out field, sampling, quantitative and qualitative about the dynamic of the Brazilian rural lands market by collecting field information about dealings in the Brazilian rural lands market”**. in support of (***.....brief description of the related context/project***) as described in the Contract.

C. By Request for Proposal (RFP) No. (...) dated (...), FAO invited proposals for the provision of (***consultancy services to be provided***); By bid received on (...), the Contractor responded to ITB/RFP No. (...), representing that it is qualified, capable and willing to provide the required services.

D. FAO wishes to engage the Contractor to undertake the work, all on the terms and conditions set forth in this Contract; and the Contractor represents that it is willing to carry out the work on the same terms and conditions.

NOW, THEREFORE, the Parties hereto mutually agree as follows:

SECTION I: SPECIAL PROVISIONS

ARTICLE 1 – SERVICES TO BE EXECUTED BY THE CONTRACTOR

- 1.1. The Contractor shall perform the services as set out in **Annex I: “Statement of Services and Specifications”** and its Appendix A setting forth the Contractor’s approach, workplan and timeline, it being understood that such services shall include those which, while not specifically provided for in the said **Annex I** and its Appendix A, are implied by generally accepted professional standards.
- 1.2. Except for the participation by the Organization in the performance of this contract, as specified in Article 4 below, the Contractor shall be responsible for providing at its own expense all personnel services and all equipment, materials and supplies required for the execution of the work and services referred to in paragraph 1.1 above.

ARTICLE 2 – PERSONNEL SERVICES TO BE PROVIDED BY THE CONTRACTOR

- 2.1 In order to execute the services as set out in Article 1 above, the Contractor shall provide all necessary personnel. The Contractor is deemed to have exercised appropriate professional judgment and to have given full consideration to working conditions in the country where this Contract is executed, including availability of relevant services, facilities, information and data required for its performance. It is agreed, therefore, that while the Contractor may, at its discretion, modify the periods of service of its personnel as set out in **Annex IV**, in order to ensure satisfactory contract performance, it shall not be entitled to any additional payments for personnel services beyond what has been included in the lumpsum amount specified in Article 6 below.
- 2.2 The costs established by the Contractor for personnel services include but are not limited to, the costs of salary and allowances, per diem, social security contributions, health, medical and pension benefits, board and lodging, pocket money, contingencies and of all other expenditures in connection with the services of the Contractor’s personnel.
- 2.3 The Contractor has provided FAO with detailed personal history statements of personnel to be assigned to this Contract and shall not assign any other personnel without FAO’s prior authorization. This provision shall also apply in the event that the Contractor must substitute personnel previously assigned and approved by FAO. In the event of such substitution the Contractor shall offer for FAO’s consideration only persons having equal or comparable experience and skills to those being substituted. The Contractor’s personnel assigned to the performance of this Contract shall generally adhere to the standards of conduct governing personnel of FAO. FAO may request that the Contractor replace any personnel who, in the opinion of FAO, do not meet such standards of conduct or who are not performing as required under this Contract. Additional costs incurred by the Contractor for the replacement of its personnel resulting from failure to comply with such standards of conduct or as a result of death, illness or disability, or default on the part of the personnel shall be borne by the Contractor.

ARTICLE 3 – COSTS OF DELIVERABLES AND REPORTS AND/OR DOCUMENTS

- 3.1 FAO will pay the Contractor the amounts specified in the **Annex II: “Costs of Deliverables”** as per schedule set forth in Annex VI “Schedule and Method of payment”.
- 3.2 The Contractor shall submit reports and/or documents concerning the services executed under this Contract in accordance with the provisions of **Annex III: “Schedule of Reports and/or Documents”**.

ARTICLE 4 – SCHEDULE OF CONTRACT PERFORMANCE

- 4.1 This Contract becomes effective and the Contractor shall commence its performance immediately upon its signature by both Parties.
- 4.2 The Contractor shall complete the services required by this Contract, which is deemed to include FAO’s acceptance of all reports and/or documents referred to in Article 3 above, in accordance with the provisions of the afore-mentioned **Annex III** and **Annex IV: “Schedule of Contract Performance”**.

ARTICLE 5 – PARTICIPATION BY FAO

- 5.1 It is agreed between the Parties that the Contractor has entered into this Contract in reliance upon FAO’s undertaking to provide certain services and facilities as set out in **Annex V: “Services and Facilities provided by FAO”**.
- 5.2 In the event that for any reason the services and facilities set out in **Annex V** are not made available, the Contractor shall immediately advise the Contract Manager mentioned in Article 9.1 below and notify the FAO Representative, it being understood that the Contractor shall not incur expenditures beyond those authorized in this Contract to obtain the said services and facilities without the former’s written approval.

ARTICLE 6 – SCHEDULE AND METHOD OF PAYMENT

- 6.1 In full consideration of the services executed by the Contractor, FAO will effect payments to the Contractor, subject to the deduction of the liquidated damages mentioned in Article 6 below, if any, in accordance with the provisions of **Annex VI: “Schedule and Method of Payment”**, up to a total amount not to exceed:

..... *(Write out)*

- 6.2 Any payment by FAO is subject to receipt at the Office of the FAO Representation of the following documents;
 - 5.2.1 one (1) copy of this Contract, duly signed by the Contractor;
 - 5.2.2 original invoices corresponding to the services provided by the Contractor.
- 6.3 The Contractor shall explicitly specify on any invoice the tax exemption mentioned in Section II, Article 22.
- 6.4 The Contractor shall pay or reimburse to FAO in the currency of original payment or in a mutually agreed currency:

- 6.4.1 overpayments made by FAO;
- 6.4.2 costs incurred by FAO for the procurement of alternative services due to the Contractor’s default.
- 6.5 The Contractor shall be liable for any changes occurring in the cost of materials and labour during the contracted period.
- 6.6 FAO will endeavour to effect payment of the invoices submitted in accordance with **Annex VI**, within thirty (30) calendar days of the date of their receipt but shall under no circumstances be liable to pay interest on amounts not paid within such period.

ARTICLE 7 – LIQUIDATED DAMAGES

- (a) As provided for in Section II, Article 6.5, the Parties agree that FAO may withhold from any payments due to the Contractor an amount equal to two point five percent (**2.5%**) of the amount specified in Article 6.1, above as liquidated damages for each week of delay or part thereof of delay in the submission of reports and/or documents beyond the deadlines specified for them in **Annex VI**, provided however, that such liquidated damages shall not in any case exceed ten percent (**10%**) of the total Contract amount and it being understood that the withholding by FAO of the said amount(s) does not in any way constitute a waiver by FAO of its rights under Section II, Article 6 of this Contract.

ARTICLE 8 – CONTRACTOR’S RESPONSIBILITY FOR EMPLOYEES

- 8.1 The Contractor shall provide all necessary employees and shall be fully responsible for their employment, work permits, payment and administration in strict conformity with all relevant laws and regulations, including laws relating to their employment, health, safety, welfare, immigration and emigration, and shall allow them all their legal rights.
- 8.2 The Contractor shall be responsible for the professional and technical competence of its employees and will select reliable individuals who will perform effectively in the Contract’s implementation, respect the local customs, and conform to a high standard of moral and ethical conduct. The Contractor’s employees working on FAO’s premises will comply with FAO’s rules, policies, and procedures regarding conduct and security.

ARTICLE 9 – DESIGNATION OF THE PARTIES’ CONTRACT MANAGERS

For the purpose of the performance of this Contract, the following persons have been designated by the Parties to represent them as far as their own individual competence and qualifications are concerned. It is understood that any decisions by such Contract Managers which would increase or decrease FAO’s financial liability as set out in Article 6.1 above will only be binding on FAO if they are the subject of a formal amendment to this Contract, duly signed by the FAO Representative.

- 9.1 FAO has designated as its Contract Manager the following person/s:

.....

.....

- 9.2 The Contractor has designated as its Contract Manager the following person/s:

.....

.....

ARTICLE 10 – PUBLICATION OF CONTRACT AWARDS

FAO reserves the right to publish or otherwise make public the Contractor's name and address, any information regarding the Contract including descriptions of the goods or services provided under the Contract and the Contract value.

ARTICLE 11 – CONTRACT DOCUMENTS

Only and exclusively the documents set out below are considered to be an integral part of this Contract:

11.1 **Sections I and II** consisting of pages 1 through 24; and

11.2 **Annexes I through VI;**

SECTION II: STANDARD PROVISIONS

ARTICLE 1 – LEGAL STATUS OF THE PARTIES

FAO and the Contractor shall also each be referred to as a “Party” hereunder, and:

- 1.1 Pursuant, *inter alia*, to the FAO Constitution and the Convention on the Privileges and Immunities of the Specialized Agencies, FAO has full juridical personality and enjoys such privileges and immunities as are necessary for the independent fulfilment of its purposes.
- 1.2 The Contractor shall have the legal status of an independent contractor vis-à-vis FAO, and it shall be fully responsible, in particular, for the acts or omissions of its personnel, agents, or other representatives. 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.

ARTICLE 2 – RESPONSIBILITY FOR EMPLOYEES

To the extent that the Contract involves the provision of any services to FAO 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 FAO, 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 FAO:
 - 2.3.1 the qualifications of personnel proposed by the Contractor (*e.g.*, curriculum vitae) may be reviewed by FAO 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 FAO 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, FAO has reviewed the qualifications of such Contractor’s personnel, FAO 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 FAO 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 FAO, 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 FAO 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 FAO shall not bear any liability in respect of such withdrawn or replaced personnel.

2.5 Nothing in Articles 2.2, 2.3 and 2.4, above, shall be construed to create any obligations on the part of FAO 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 FAO shall:

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

2.6.2 when within FAO premises or on FAO property, display such identification as may be approved and furnished by FAO 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 FAO for cancellation.

2.7 Within one working day after learning that any of Contractor's personnel who have access to any FAO 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 FAO about the particulars of the charges then known and shall continue to inform FAO 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 FAO premises or on FAO property shall be confined to areas authorized or approved by FAO. 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 FAO premises or on FAO property without appropriate authorization from FAO.

ARTICLE 3 – ASSIGNMENT

- 3.1 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 as may be provided for in this Contract or with the prior written authorization of FAO. Any such unauthorized assignment, transfer, pledge or other disposition, or any attempt to do so, shall not be binding on FAO. Any assignment by the Contractor which is not authorized by FAO will be void and FAO reserves the right in such case, without prejudice to other rights or remedies, to terminate the Contract without liability effective upon the Contractor's receipt of notification of termination. 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 FAO. Any such unauthorized delegation, or attempt to do so, shall not be binding on FAO.
- 3.2 The Contractor agrees that FAO may, at its discretion, assign, transfer, pledge, or make other disposition of this Contract or any part hereof, or any of FAO's rights or obligations under this Contract upon written notification within a reasonable period of time either prior to or following such assignment, transfer, pledge or subcontracting arrangement.

ARTICLE 4 – SUBCONTRACTING

In the event that the Contractor requires the services of subcontractors to perform any obligations under the Contract, and except as may be provided for in this Contract, the Contractor shall obtain the prior written approval of FAO. FAO shall be entitled, in its sole discretion, to review the qualifications of any subcontractors and to reject any proposed subcontractor that FAO reasonably considers is not qualified to perform obligations under the Contract. The approval by FAO of a subcontractor shall not relieve the Contractor of any of its obligations under this Contract. FAO shall have the right to require any subcontractor's removal from FAO 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. The essential terms set out in Article 26 shall be included in all subcontracting arrangements entered into under this Contract.

ARTICLE 5 – EXAMINATION AND ACCEPTANCE

- 5.1 FAO reserves the right to examine the equipment, materials and supplies and/or assess the services provided under this Contract, at any time prior to the expiry of this Contract. Without any additional charge, the Contractor shall provide all facilities for the examination and all necessary support to ensure that examinations can be performed in such a manner as not to unduly delay delivery.

- 5.2 In case of rejection by FAO of the equipment, materials, supplies and/or services provided, a new review may be carried out by the representatives of both FAO and the Contractor, if promptly requested by the Contractor and before FAO exercises any legal remedies. The Contractor shall bear the expenses of such a review.
- 5.3 If this Contract specifically requires the Contractor to procure equipment, materials or supplies on behalf of FAO, such procurement shall be of new equipment, materials or supplies unless procurement of used equipment, materials or supplies is approved in advance in writing by FAO.

ARTICLE 6 – DELAYS AND DEFAULTS

- 6.1 If there should be any delay in the performance of this Contract or any part thereof, the Contractor shall notify FAO in writing giving the cause, such notification to reach FAO no later than ten (10) days after the date on which the delay is known by the Contractor.
- 6.2 If the Contractor is unable to obtain any materials or services necessary for the performance of the Contract from its normal sources of supply, it shall remain liable for any delays when equivalent materials or services can be obtained from other sources in good time.
 - 6.3 In any event, if the Contractor fails to make delivery of the materials or to complete items or services required within the time specified in the Contract, or within any extension that may be granted, FAO may, without prejudice to any further rights it may have under this Contract and in particular under Article 17:
 - 6.3.1 suspend or cancel the right of the Contractor to proceed further with any items or services - or part thereof - in which there has been a delay;
 - 6.3.2 obtain elsewhere upon such terms and conditions as may be deemed appropriate, replacement items or services similar to those which the Contractor failed to provide;
 - 6.3.3 make a corresponding adjustment to the consideration payable to the Contractor; provided, however, that the Contractor shall continue performance of this Contract to the extent not suspended or cancelled under the provisions of this paragraph.
- 6.4 The Contractor shall be liable for any excess costs or damages caused to FAO by a failure or delay on the part of the Contractor in the performance of its obligations under this Contract, except where such failure or delay is due to:
 - 6.4.1 causes which are attributable to FAO;
 - 6.4.2 Force Majeure, as defined in Article 16 below.
- 6.5 If, in the event of a default by the Contractor or a delay attributable to it, FAO is of the opinion that the determination of actual excess costs or damages, or any part thereof, incurred by FAO is not practicable, FAO may require the Contractor to pay, in lieu of or in addition to actual damages, as the case may be, the amount specified in, or to be calculated in accordance with, the relevant provision of this Contract, as fixed, agreed and liquidated damages for the duration of the delay or default.

- 6.6 FAO shall determine the effects of any delay or default particularly in regard to an adjustment of the consideration due to the Contractor and to excess costs or damages caused to FAO and its findings shall be binding, provided always that the Contractor shall have the right to avail itself of the provisions of Article 20.
- 6.7 FAO shall not be liable to pay interest on the amount(s) not paid to the Contractor within the payment schedule foreseen under the Contract, irrespective of the cause of such delay.

ARTICLE 7 – 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 FAO upon delivery of the goods and their acceptance by FAO in accordance with the requirements of the Contract.

ARTICLE 8 – 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 FAO 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 FAO, FAO 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 FAO to enable FAO to take appropriate measures to resolve the matter.

ARTICLE 9 – INDEMNIFICATION

- 9.1 The Contractor shall indemnify, defend, and hold and save harmless, FAO, and its officials, agents and employees, and any of its member nations or member organizations ("Members") or other ultimate beneficiaries, from and against all suits, proceedings, claims, demands, losses and liability of any kind or nature brought by any third party against FAO, including, but not limited to, all litigation costs and expenses, attorney's fees, settlement payments and damages, based on, arising from, or relating to:
- 9.1.1 allegations or claims that the possession of or use by FAO of any patented device, any copyrighted material, or any other goods, property or services provided or licensed to FAO 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*,
- 9.1.2 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.

- 9.2 FAO may, where in its opinion, the successful implementation of the Contract or the reputation of FAO, might be prejudiced, withhold or deduct from the payments due to the Contractor under this Contract such amounts as may be required to honour third party claims brought against the Contractor if these claims are connected with the supplies or services to be provided under this Contract and if, after consultation with the Contractor, FAO is satisfied that such claims have been or may become the subject of a judgement, injunction or similar court order.
- 9.3 In addition to the indemnity obligations set forth in this Article 9, the Contractor shall be obligated, at its sole expense, to defend FAO and its officials, agents and employees, pursuant to this Article 9, regardless of whether the suits, proceedings, claims and demands in question actually give rise to or otherwise result in any loss or liability.
- 9.4 FAO 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 FAO or any matter relating thereto, for which only FAO itself is authorized to assert and maintain. FAO 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.
- 9.5 In the event the use by FAO of any goods, property or services provided or licensed to FAO 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:
- 9.5.1 procure for FAO the unrestricted right to continue using such goods or services provided to FAO;
 - 9.5.2 replace or modify the goods or services provided to FAO, or part thereof, with the equivalent or better goods or services, or part thereof, that is non-infringing; *or*,
 - 9.5.3 refund to FAO the full price paid by FAO for the right to have or use such goods, property or services, or part thereof.
- 9.6 For the purposes of this Article, the term “third party” shall be deemed to include, *inter alia*, officials, employees and other representatives of the United Nations, FAO, and other Specialized Agencies participating in the implementation of this Contract as well as any person or entity employed by the Contractor or otherwise performing services for, or supplying goods to, the Contractor.

ARTICLE 10 – INSURANCE AND LIABILITY

- 10.1 The Contractor shall pay FAO promptly for all loss, destruction, or damage to the property of FAO 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.

- 10.2 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:
- 10.2.1 insurance against all risks in respect of its property and any equipment used for the performance of the Contract;
- 10.2.2 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;
- 10.2.3 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*,
- 10.2.4 such other insurance as may be agreed upon in writing between FAO and the Contractor.
- 10.3 The Contractor's liability policies shall also cover subcontractors and all defense costs and shall contain a standard "cross liability" clause.
- 10.4 The Contractor acknowledges and agrees that FAO 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.
- 10.5 Except for the workers' compensation insurance or any self-insurance program maintained by the Contractor and approved by FAO, 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:
- 10.5.1 name FAO as an additional insured under the liability policies, including, if required, as a separate endorsement under the policy;
- 10.5.2 include a waiver of subrogation of the Contractor's insurance carrier's rights against FAO;
- 10.5.3 provide that FAO 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*,
- 10.5.4 include a provision for response on a primary and non-contributing basis with respect to any other insurance that may be available to FAO.

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

10.7 Except for any self-insurance program maintained by the Contractor and approved by FAO 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 FAO. Prior to the commencement of any obligations under the Contract, the Contractor shall provide FAO with evidence, in the form of certificate of insurance or such other form as FAO may reasonably require, that demonstrates that the Contractor has taken out insurance in accordance with the requirements of the Contract. FAO 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 10.5.3, above, the Contractor shall promptly notify FAO concerning any cancellation or material change of insurance coverage required under the Contract.

10.8 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.

ARTICLE 11 – 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 FAO 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 FAO.

ARTICLE 12 – EQUIPMENT FURNISHED BY FAO TO THE CONTRACTOR

Title to any equipment and supplies that may be furnished by FAO to the Contractor for the performance of any obligations under the Contract shall rest with FAO, and any such equipment shall be returned to FAO at the conclusion of the Contract or when no longer needed by the Contractor. Such equipment, when returned to FAO, 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 FAO for the actual costs of any loss of, damage to, or degradation of the equipment that is beyond normal wear and tear.

ARTICLE 13 – COPYRIGHT, PATENTS AND OTHER PROPRIETARY RIGHTS

13.1 Except as is otherwise expressly provided in writing in the Contract, FAO 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 FAO 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 FAO.

- 13.2 To the extent that any such intellectual property or other proprietary rights consist of any intellectual property or other proprietary rights of the Contractor:
- 13.2.1 that pre-existed the performance by the Contractor of its obligations under the Contract, *or*
- 13.2.2 that the Contractor may develop or acquire, or may have developed or acquired, independently of the performance of its obligations under the Contract,
- FAO does not and shall not claim any ownership interest thereto, and the Contractor grants to FAO 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.
- 13.3 At the request of FAO, 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 FAO in compliance with the requirements of the applicable law and of the Contract.
- 13.4 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 FAO, shall be made available for use or inspection by FAO at reasonable times and in reasonable places, shall be treated as confidential, and shall be delivered only to FAO authorized officials on completion of work under the Contract.

ARTICLE 14 – PUBLICITY, AND USE OF THE NAME, EMBLEM OR OFFICIAL SEAL OF FAO

The Contractor shall not advertise or otherwise make public for purposes of commercial advantage or goodwill that it has a contractual relationship with FAO, nor shall the Contractor, in any manner whatsoever use the name, emblem or official seal of FAO, or any abbreviation of the name of FAO in connection with its business or otherwise without the written permission FAO.

ARTICLE 15 – CONFIDENTIAL NATURE OF DOCUMENTS AND INFORMATION

All designs, drawings, specifications, reports, data, computer programs, and other technical or proprietary information compiled or developed by the Contractor or furnished or disclosed to the Contractor by FAO under this Contract (“Information”) shall be the property of FAO and shall be treated as confidential and safeguarded by the Contractor, its employees, agents and representatives. Unless otherwise authorized in writing by FAO, the Contractor shall use such Information only in the performance of this Contract. Upon completion or termination of this Contract, the Contractor shall return such Information to FAO.

- 15.1 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 FAO, the Contractor will give FAO sufficient prior notice of a request for the disclosure of Information in order to allow FAO to have a reasonable opportunity to take protective measures or such other action as may be appropriate before any such disclosure is made.

- 15.2 FAO reserves the right to publish or otherwise make public the Contractor's name and address, any information regarding the Contract including descriptions of the goods or services provided under the Contract and the Contract value. FAO may also disclose Information to the extent as required pursuant to the FAO Constitution or consistent with or pursuant to resolutions or regulations of the Conference of FAO or rules promulgated thereunder.
- 15.3 A Party shall not be precluded from disclosing Information that is obtained by that Party from a third party without restriction, is disclosed by the other Party to a third party without any obligation of confidentiality, is previously known by the Party who has received the Information, or at any time is developed by the Party completely independently of any disclosures hereunder.
- 15.4 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.

ARTICLE 16 – FORCE MAJEURE; OTHER CHANGES IN CONDITIONS

- 16.1 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 or termination under Article 17. The Contractor shall be liable for any damages resulting from lack of notice of the *force majeure* event.
- 16.2 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, FAO shall have the right to suspend or terminate the Contract on the same terms and conditions as are provided for in Article 17, except that the period of notice shall be seven (7) days instead of thirty (30) days. In any case, FAO 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.

16.3 *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 (or on the part of its personnel, agents, other representatives, or authorized subcontractors), and proves insurmountable in spite of all due diligence. Defects in equipment, material or supplies, or delays in their availability (unless due to *force majeure*), labor disputes, strikes or financial difficulties shall not constitute an event of *force majeure*. Notwithstanding anything to the contrary herein in this Contract, the Contractor recognizes that the provision of goods and services may from time to time be performed under harsh or hostile conditions, including civil unrest. Consequently, delays or failure to perform caused by events arising out of, or in connection with, such difficult conditions shall not, in and of itself, constitute *force majeure* under this Contract. The Contractor therefore acknowledges and agrees that, with respect to any obligations under the Contract that the Contractor must perform in areas in which FAO is engaged in, preparing to engage in, or disengaging from any 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.

ARTICLE 17 – TERMINATION

17.1 Either Party may terminate the Contract for cause, in whole or in part, upon thirty (30) days' notice, in writing, to the other Party. The initiation of conciliation or arbitral proceedings in accordance with Article 20, shall not be deemed to be a "cause" for or otherwise to be in itself a termination of the Contract.

17.2 For the purposes of this Article, a "cause" include, without being limited to:

17.2.1 unforeseen causes beyond the control of FAO;

17.2.2 repeated and/or serious noncompliance with laws and regulations related to social contribution, safety measures, pollution, prevention of injuries in the work place;

17.2.3 serious contractual breaches compromising the normal performance of the services under this Contract;

17.2.4 transfer to third parties, either directly or indirectly through an intermediary, of all or part of the rights and obligations pertaining to the services under this Contract, except for subcontracts duly authorized by FAO;

17.2.5 gross negligence;

17.2.6 unjustified delay in the execution of the services, so as to substantially prejudice the achievement of FAO's objectives under this Contract;

17.2.7 default in the submission of the performance bond as required, if applicable.

- 17.3 FAO may terminate the Contract at any time by providing written notice to the Contractor in any case in which the mandate of FAO applicable to the performance of the Contract or the funding of FAO 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) days' advance written notice to the Contractor, FAO may terminate the Contract without having to provide any justification therefor.
- 17.4 In the event of any termination of the Contract, upon receipt of notice of termination that has been issued by FAO, the Contractor shall, except as may be directed by FAO in the notice of termination or otherwise in writing:
- 17.4.1 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;
- 17.4.2 refrain from undertaking any further or additional commitments under the Contract as of and following the date of receipt of such notice;
- 17.4.3 place no further subcontracts or orders for materials, services, or facilities, except as FAO and the Contractor agree in writing are necessary to complete any portion of the Contract that is not terminated;
- 17.4.4 terminate all subcontracts or orders to the extent they relate to the portion of the Contract terminated;
- 17.4.5 transfer title and deliver to FAO the fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced or acquired for the portion of the Contract terminated;
- 17.4.6 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 FAO thereunder;
- 17.4.7 complete performance of the work not terminated; *and*,
- 17.4.8 take any other action that may be necessary, or that FAO 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 FAO has or may be reasonably expected to acquire an interest.
- 17.5 In the event of any termination of the Contract, FAO shall be entitled to obtain reasonable written accountings from the Contractor concerning all obligations performed or pending in accordance with the Contract. In addition, FAO shall not be liable to pay the Contractor except for those goods delivered and services provided to FAO 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 FAO or prior to the Contractor's tendering of notice of termination to FAO.
- 17.6 The Contractor shall immediately report any change in its legal status or control to FAO. FAO may, without prejudice to any other right or remedy available to it, terminate the Contract forthwith in the event that:

- 17.6.1 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;
- 17.6.2 the Contractor is granted a moratorium or a stay, or is declared insolvent;
- 17.6.3 the Contractor makes an assignment for the benefit of one or more of its creditors;
- 17.6.4 a Receiver is appointed on account of the insolvency of the Contractor;
- 17.6.5 the Contractor offers a settlement in lieu of bankruptcy or receivership; *or*,
- 17.6.6 FAO 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.
- 17.7 Except as prohibited by law, the Contractor shall be bound to compensate FAO for all damages and costs, including, but not limited to, all costs incurred by FAO in any legal or non-legal proceedings, as a result of any of the events specified in Article 17.6, 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 FAO of the occurrence of any of the events specified in Article 17.6, above, and shall provide FAO with any information pertinent thereto.
- 17.8 The provisions of this Article 17 are without prejudice to any other rights or remedies of FAO under the Contract or otherwise.

ARTICLE 18 – 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.

ARTICLE 19 – NON-EXCLUSIVITY

Unless otherwise specified in the Contract, FAO shall have no obligation to purchase any minimum quantities of goods or services from the Contractor, and FAO 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.

ARTICLE 20 – SETTLEMENT OF DISPUTES, CONCILIATION AND ARBITRATION

- 20.1 Any dispute between the Parties concerning the interpretation and the execution of the Contract will be settled by negotiation or, if not settled by negotiation between the Parties or by another agreed mode of settlement shall, at the request of either Party, be submitted to one conciliator. Should the Parties fail to reach agreement on the name of a sole conciliator, each Party shall appoint one conciliator. The conciliation shall be carried out in accordance with the Conciliation Rules of the United Nations Commission on International Trade Law (“UNCITRAL”), as at present in force.

- 20.2 Any dispute between the Parties concerning the interpretation and the execution of the Contract that is unresolved after conciliation shall, at the request of either Party be settled by arbitration in accordance with the UNCITRAL Arbitration Rules, as at present in force. Arbitrations under this provision shall be administered by the International Bureau of the Permanent Court of Arbitration.
- 20.3 The conciliation or the arbitration proceedings shall be conducted in any of the six (6) official languages of FAO (Arabic, Chinese, English, French, Spanish and Russian) in which the Contract is drafted. In cases in which the language of the Contract is not an official language of FAO, the conciliation or the arbitration proceedings shall be conducted in English.
- 20.4 The Parties may request conciliation during the execution of the Contract or within a period not to exceed twelve (12) months after the expiry or the termination of the Contract. The Parties may request arbitration not later than ninety (90) days after the termination of the conciliation proceedings.
- 20.5 Decisions of the arbitral tribunal shall be final and binding to the Parties. The arbitral tribunal shall have no authority to award punitive damages or, unless otherwise expressly provided in this Contract, to award interest in which case such interest shall not be in excess of the London Inter-Bank Offered Rate (“LIBOR”) then prevailing, and any such interest shall be simple interest only.

ARTICLE 21 – PRIVILEGES AND IMMUNITIES AND APPLICABLE LAW

- 21.1 Nothing contained in or relating to this Contract shall be deemed a waiver, express or implied, of the privileges and immunities of FAO, nor as conferring any privileges or immunities of FAO on the Contractor or its employees, nor as acceptance by FAO of the jurisdiction of the courts of any country over disputes arising out of this Contract.
- 21.2 Notwithstanding any specific provision herein, this Contract and any dispute arising therefrom shall be governed by general principles of law to the exclusion of any single national system of law. General principles of law shall be deemed to include the UNIDROIT Principles of International Commercial Contracts 2010.

ARTICLE 22 – TAX EXEMPTION

- 22.1 Article III Section 9, of the Convention on the Privileges and Immunities of the Specialized Agencies provides, *inter alia*, that FAO is exempt from all direct taxes, including any value-added tax (VAT), 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 FAO from such taxes, restrictions, duties, or charges, the Contractor shall immediately consult with FAO to determine a mutually acceptable procedure.

- 22.2 The Contractor shall explicitly specify this tax exemption on any invoice. The Contractor authorizes FAO to deduct from the Contractor's invoices any amount representing such taxes, duties or charges, unless the Contractor has consulted with FAO before the payment thereof and FAO 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 FAO with written evidence that payment of such taxes, duties or charges has been made and appropriately authorized, and FAO shall reimburse the Contractor for any such taxes, duties, or charges so authorized by FAO and paid by the Contractor under written protest.

ARTICLE 23 – MODIFICATIONS

- 23.1 FAO may at any time by written instructions make changes within the general scope of this Contract and the Contractor shall be obliged to implement such changes in a timely manner. If any such change causes an increase or decrease in the quantities of goods and/or services or the time required for performance of this Contract, an equitable adjustment shall be made in the order price or delivery schedule, or both, and the Contract shall be amended, terminated or reissued accordingly.
- 23.2 Any claim by the Contractor for adjustment under this Article must be asserted within thirty (30) days from the date of receipt by the Contractor of the notification of change; provided, however, that FAO may, at its sole discretion, receive and act upon any such claim asserted at any time prior to final payment under this Contract. A dispute arising from failure to agree to any adjustments shall be subject to the provisions of Article 20 of this Contract. However, nothing in this Article shall relieve the Contractor from its obligation to proceed with the performance of the Contract as changed.
- 23.3 No modification of or change in the terms of this Contract shall be valid or enforceable against FAO unless it is in writing and signed by a duly authorized officer.
- 23.4 Any modification of this Contract other than the changes provided for under paragraphs 23.1 to 23.3 above shall be effected by an amendment to this Contract to be mutually agreed between the Parties hereto.

ARTICLE 24 – AUDITS AND INVESTIGATIONS

- 24.1 Each invoice paid by FAO shall be subject to a post-payment audit by auditors, whether internal or external, of FAO or by other authorized and qualified agents of FAO at any time during the term of the Contract and for a period of two (2) years following the expiration or prior termination of the Contract. FAO shall be entitled to a refund from the Contractor for any amounts shown by such audits to have been paid by FAO other than in accordance with the terms and conditions of the Contract.
- 24.2 The Contractor acknowledges and agrees that, from time to time, FAO 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. The right of FAO to conduct an investigation and the Contractor's obligation to comply with such an investigation shall not lapse upon expiration or prior termination of the Contract.

24.3 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 FAO 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 FAO hereunder.

ARTICLE 25 – LIMITATION ON ACTIONS

25.1 Except with respect to any indemnification obligations in Article 9, above, or as are otherwise set forth in the Contract, any conciliation proceedings in accordance with Article 20 above, arising out of the Contract must be commenced within twelve (12) months after the cause of action has accrued.

25.2 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.

ARTICLE 26 – ESSENTIAL TERMS

The Contractor acknowledges and agrees that each of the provisions in Articles 27 to 35 hereof constitutes an essential term of the Contract and that any breach of any of these provisions shall entitle FAO to terminate the Contract or any other contract with FAO immediately upon notice to the Contractor, without any liability for termination charges or any other liability of any kind.

ARTICLE 27 – SOURCE OF INSTRUCTIONS

The Contractor shall neither seek nor accept instructions from any authority external to FAO in connection with the performance of its obligations under the Contract. Should any authority external to FAO seek to impose any instructions concerning or restrictions on the Contractor's performance under the Contract, the Contractor shall promptly notify FAO and provide all reasonable assistance required by FAO. 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 FAO, and the Contractor shall perform its obligations under the Contract with the fullest regard to the interests of the FAO.

ARTICLE 28 – OFFICIALS NOT TO BENEFIT

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

ARTICLE 29 – 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. The Contractor shall promptly correct any violations thereof and shall keep FAO informed of any conflict or problem arising in relation to national authorities. In addition, the Contractor shall maintain compliance with all obligations relating to its registration as a qualified vendor of goods or services to FAO, as such obligations are set forth in FAO vendor registration procedures.

ARTICLE 30 – LABOR:

30.1 The Contractor shall:

30.1.1 respect the prohibition of forced or compulsory labour in all its forms;

30.1.2 respect the freely exercised right of workers, without distinction, to organize, to further and defend their interest as well as the protection of those workers who exercise their right to organize;

30.1.3 ensure equality of opportunity and treatment in respect of employment and occupation; *and*

30.1.4 ensure fair and reasonable conditions of safety, health and welfare.

30.2 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.

ARTICLE 31 – 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.

ARTICLE 32 – SEXUAL EXPLOITATION

The Contractor shall take all appropriate measures to prevent sexual exploitation or abuse of any direct beneficiary of the FAO projects or programmes receiving the goods or services provided under this Contract, or to any persons related to such beneficiaries, 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 in any sexual activities that are exploitive or degrading to any direct beneficiary of the FAO projects or programmes receiving the goods or services provided under this Contract, or to any persons related to such beneficiaries.

ARTICLE 33 – TERRORISM

The Contractor agrees to undertake all reasonable efforts to ensure that none of the funds received from FAO under this Contract are used to provide support to individuals or entities:

- 33.1 associated with terrorism, as included in the list maintained by the Security Council Committee established pursuant to Resolutions 1267 (1999) and 1989 (2011); *or*
- 33.2 that are the subject of sanctions or other enforcement measures promulgated by the United Nations Security Council.

ARTICLE 34 – SANCTIONABLE ACTIONS

- 34.1 The Contractor shall observe the highest standard of ethics and will certify that it has not and will not engage in Sanctionable Actions during the selection process and throughout the negotiation and execution of this Contract. The Contractor expressly agrees to abide by the UN Supplier Code of Conduct.
- 34.2 FAO, without prejudice to any other rights or remedies it may possess, may terminate the Contract forthwith if the Contractor, in the judgment of FAO, has engaged in Sanctionable Actions in competing for or in negotiating or executing this Contract, and as appropriate, impose sanctions, as per the prevailing Sanctions Procedures (http://www.fao.org/fileadmin/user_upload/procurement/docs/FAO_Vendors_Sanctions_Policy_-_Procedures.pdf), and request full or partial restitution of sums previously paid by FAO under this Contract.
- 34.3 For the purpose of this Article, Sanctionable Actions are defined as follows: “Corrupt practice” means the offering, giving, receiving or soliciting, directly or indirectly, of anything of value whether tangible or intangible to improperly influence the actions of another party; “Fraudulent practice” means any act or omission, including misrepresentation that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial and/or other benefit and/or to avoid an obligation; “Collusive practice” is an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party; “Coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party; “Unethical practice” is the conflict of interest, gifts and hospitality or post-employment FAO policy (<http://www.fao.org/unfao/procurement/codedeconduitethique/en/>), as well as any provisions or other published requirements of doing business with the Organization, including the UN Supplier Code of Conduct; and “Obstructive practice” is an act or omission by a Third Party that may prevent or hinder the work of Investigation Unit of the FAO Office of the Inspector General.

ARTICLE 35 – DISCLOSURE OF SANCTIONS OR TEMPORARY SUSPENSION

The Contractor should not be suspended, debarred, or otherwise identified as ineligible by any Intergovernmental or UN Organization, including any organization within the World Bank Group or any multi-lateral development bank, or by the institutions and bodies of transnational economic unions (e.g., of the EU). The Contractor is therefore required to disclose to FAO whether itself, or any of its affiliates, or agents, is subject to any sanction or temporary suspension imposed by any such organization or National Authority at any time during the three years prior to this Contract and at any time throughout the execution of this Contract. The Contractor recognizes that a breach of this provision will entitle FAO to terminate its Contract with the Contractor, and that material misrepresentations on its status constitute a fraudulent practice.

ARTICLE 36 – COLLABORATION WITH CERTAIN COUNTRIES

FAO reserves the right to communicate in writing to the Contractor, countries from which no goods or services shall be purchased directly or indirectly for purposes of delivery, distribution, installation, or use under this Contract. These communications shall be deemed a condition of this Contract and be incorporated by the Contractor in any contracts with authorized subcontractors.

ARTICLE 37 – NOTICES AND COMMUNICATIONS

All notices and other binding communications shall be in English, or the language of the Contract, and shall be deemed to be validly given if sent by registered mail, by fax or by email with return receipt to the other Party at the address or numbers of either Party as indicated in the Contract.

Signed on behalf of:

THE FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS :

Name & Title:

Date:

Signed on behalf of:

THE CONTRACTOR

Name: & Title

Date:

Contract No.

ANNEXES I – VI

Contract No.

Annex I

STATEMENT OF SERVICES AND SPECIFICATIONS

The Contractor shall execute the services set out in this Annex in accordance with the specifications mentioned herein:

(AS DESCRIBED IN APPENDIX A, AND B OF THE LOI)

Contract No.

Annex II

COST OF DELIVERABLES

The Contractor shall submit reports and/or documents in the English language with respect to services performed under this Contract as set out below, payment for which will be made by FAO in accordance with the provisions of **Annex VI**.

Cost Breakdown per Outputs

SN	Output [list them as referred to in the TOR]	Percentage of Total Price (Weight for payment)	Price (Lump Sum, All Inclusive)
1	Output 1	10%	
2	Output 2	25%	
3	Output 3	25%	
4	Output 4	40%	
	Total	100%	

*** It is understood that this amount is a lumpsum and includes all costs incurred for the completion of all activities involved in the performance of this contract.**

Contract No.

Annex III

SCHEDULE OF REPORTS AND/OR DOCUMENTS

Contract No.

Annex IV

SCHEDULE OF CONTRACT PERFORMANCE

The Contractor shall execute this Contract in accordance with the following schedule of performance:

SERVICES AND FACILITIES PROVIDED BY FAO

SCHEDULE AND METHOD OF PAYMENT

FAO will effect the following payments or reimbursements to the Contractor, subject to the provisions of Article 7 of Section I and those of this **Annex**, upon receipt of invoices in duplicate at the office mentioned in paragraph 6 below, up to a total amount not to exceed:

..... (*Write out amount*)

1. Payments of services as provided for in Article 5 of Section I, will be effected according to the following schedule:

1.1 Upon submission of invoice and the delivery of **Output 1** as set forth in the TOR, Annex II duly certified and accepted by the Organization’s Contract Manager, the Organization will release a payment equal to **10%** of the total contract amount;

1.2

Upon submission of invoice and the delivery of **Output 2** as set forth in the TOR, Annex II duly certified and accepted by the Organization’s Contract Manager, the Organization will release a payment equal to **25%** of the total contract amount;

1.3 Upon submission of invoice and the delivery of **Output 3** as set forth in the TOR, Annex II duly certified and accepted by the Organization’s Contract Manager, the Organization will release a payment equal to **25%** of the total contract amount;

1.4 At the end, upon submission of the last invoice and the delivery of **Output 4** as set forth in the TOR, Annex II duly certified and accepted by the Organization’s Contract Manager, the Organization will release the last payment equal to **40%** of the total contract amount;

2. The Contractor shall indicate clear payment/banking instructions on all invoices which shall bear a consecutive number and indicate:

5.1 Contract No. ;

5.2 Any supporting documents attached;

5.3 The certification by FAO Contract Manager mentioned above, if required by the provisions of the present **Annex VI**.

6. All invoices shall be submitted in duplicate addressed to:

.....

7. FAO will endeavour to effect payment of the invoices submitted in accordance with paragraphs 5 and 6 above, within thirty (30) calendar days of the date of their receipt but shall under no circumstances be liable to pay interest on amounts not paid within such period.

8. FAO will make payment to a bank account indicated by the Contractor in its invoice, providing that the bank account is in the name of the Contractor and located in the country of residence of the Contractor. Any request for payment to a bank account other than that of the Contractor or to a bank other than one located in the Contractor's country of residence should be specified in a written notice with the reasons for such deviation from standard payment terms, and authorized by FAO's Contract Manager mentioned above.