



**REQUEST FOR PROPOSAL TO SELECT AUDIT FIRM FOR
AUDIT OF NIM PROJECTS
Reference No. RFP/005/2010/LAOPDR
Date of Issue: 03 December 2010**

**United Nations Development Programme
Lao PDR**

NOTE: WHEN SUBMITTING YOUR BID DOCUMENTS, PLEASE CAREFULLY PLACE THE TECHNICAL AND FINANCIAL PROPOSALS IN SEPARATE ENVELOPES. UNDP WILL NOT BE ABLE TO CONSIDER BIDS THAT CONTAIN THE TECHNICAL AND FINANCIAL PROPOSALS IN ONE ENVELOPE, AND/OR BIDS OF WHICH THE OPERATIONAL AND TECHNICAL PART CONTAIN ANY PRICING INFORMATION WHATSOEVER ON THE SERVICES OFFERED.

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Annexes:

Annex I: Terms of Reference (TOR)

Annex II: Proposal Submission Form, to be completed and returned with your proposal;

Annex III: A draft of the form of contract under which the services would be performed, including the "General Conditions for UNDP Contracts for Professional Services";

Annex IV: Indicative List of Projects to be Audited for Y2010 Expenditure

INTRODUCTION

You are invited to submit a proposal to conduct an audit of the UNDP projects implemented by the government of Lao PDR. Your proposal could form the basis for a **Long-term Agreement (LTA)** between your firm and the United Nations Development Programme (UNDP) in Lao PDR. The Agreement will cover the audit of financial reports for the year ended 2010 but may be extended, at the sole discretion of UNDP, for a further two years.

The objective of the audit is to assess whether the financial report for the project (referred to as the Combined Delivery Report) presents fairly the expenditures for the project and that the funds were utilized for the purposes described in the project document and work plans.

An invitation to submit a proposal has been opened to bid.

TERMS OF REFERENCE (TOR)

A detailed Terms of Reference is provided in **Annex I** of this document.

PROPOSAL CONTENTS

The contents and format of the requested proposal should include, but not be limited to, the following information:

Technical component

The technical component of your proposal should be concisely presented and structured in the following order to include, but not necessarily be limited to, the following information:

- a) The firm's experience as well as demonstrated experience and capacity in the specific field of the assignment.

A brief description of your firm including the total number of personnel, experience with similar projects, and client referrals.

- b) The firm's approach and timing in implementing the tasks described in the Terms of Reference.

Any comments or suggestions on the Terms of Reference as well as your description of the manner in which your firm/institution would respond to the Statement Of Work. You should include the number of person-days in each specialization that you consider necessary to carry out all work required.

- c) Provide the composition of the team that you propose and the curriculum vitae of the members of the team.

For the minimum qualifications, please refer to the section Qualifications of the Auditor in the Terms of Reference (TOR).

Price Component

The financial proposal should be prepared in light of the attached list of Projects (see Annex IV). **Audit cost of each project should be mentioned separately in front of**

each project. The financial proposal for each project must be a total “**fixed price**” quotation indicating the overall total amount in US Dollars proposed to UNDP. The total fees submitted by your firm to UNDP for the purpose of the present request shall be firm and final.

The calculation of the fees should also indicate the all-inclusive cost in **US Dollars** and an estimate of the time-effort to be allocated for the services, expressed in number of working days by employee performing the Audit, i.e., as applicable, audit partner, audit manager, audit senior and audit assistant.

Any incidental out of pocket expenses (OPE) such as travel and accommodation must be included in the overall “fixed price” fees submitted to UNDP.

UNDP’s general policy is to effect payment upon the achievement of specific milestones described in the contract. As described in the draft contract we have identified two milestones.

You should also indicate any comments or reservations to the draft form contract.

SUBMISSION AND SELECTION ARRANGEMENTS

Introduction

To enable you to submit a proposal, please find enclosed:

Annex I: **Terms of Reference (TOR);**

Annex II: **Proposal Submission Form, to be completed and returned with your proposal;**

Annex III: **A draft of the form of contract under which the services would be performed, including the "General Conditions for UNDP Contracts for Professional Services";**

Annex IV: **List of Projects**

UNDP reserves the right to reject any and all proposals received in response to this RFP and to negotiate with any of the proposers or other firms in any manner deemed to be in the best interest of UNDP. Although it is UNDP preference to award one contract for the services described in this RFP, UNDP reserves the right to award separate contracts for the elements covered by this RFP in any combinations as it deems appropriate, at its sole discretion.

This RFP contains no contractual offer of any kind. Any proposal submitted will be regarded as an offer by the proposer and not an acceptance by the proposer of any offer by UNDP. No contractual relationship will exist except pursuant to a written contract document signed by UNDP and the proposer.

UNDP reserves the right to modify or exclude any consideration, information or requirement contained in this RFP and to add new considerations, information or requirements at any stage of the procurement process, including negotiations with

proposers, at any time before any contract is awarded for the audit services outlined in this RFP.

Submission of the Proposal

Your proposal shall comprise the following documents:

Technical proposal:

- (a) Proposal Submission Form;
- (b) Technical Component;

Financial proposal:

- (c) Price Component

NOTE: WHEN SUBMITTING YOUR BID DOCUMENTS, PLEASE CAREFULLY PLACE THE TECHNICAL AND FINANCIAL PROPOSALS IN SEPARATE ENVELOPES. UNDP WILL NOT BE ABLE TO CONSIDER BIDS THAT CONTAIN THE TECHNICAL AND FINANCIAL PROPOSALS IN ONE ENVELOPE, AND/OR BIDS OF WHICH THE OPERATIONAL AND TECHNICAL PART CONTAIN ANY PRICING INFORMATION WHATSOEVER ON THE SERVICES OFFERED.

Proposals in response to the present request must be marked **“RFP/005/2010_Proposal to Conduct NIM Projects Audit in Lao PDR” DO NOT OPEN before 4 p.m. local time, Vientiane on Thursday, 23 December, 2010** and submitted to the following address:

Registry office

United Nations Development Programme

Lane Xang Avenue, PO Box 345

Vientiane, Lao PDR

Tel: +856 (21) 267777 or, 267765

Fax: +856 (21) 264939

Proposals received after this date will be rejected. UNDP may, at its discretion, extend the deadline for the submission of proposals, by notifying all prospective proposers in writing. The extension of the deadline may accompany a modification of the solicitation documents prepared by UNDP at its own initiative or in response to a clarification requested by a prospective proposer.

Proposers must provide all requisite information under this RFP and clearly and concisely respond to all points set out in this RFP. Any proposal which does not fully and comprehensively address this RFP may be rejected.

You are requested to hold your proposal valid for 90 days from the deadline for submission. UNDP will make its best effort to select a firm within this period.

Assuming that a contract can be satisfactorily concluded by 31 January 2011, the assignment is expected to commence on 14 February 2011. Therefore, your cost proposal shall remain valid up to 31 January 2011.

The costs of preparing a proposal and of negotiating a contract are not reimbursable by UNDP.

UNDP will not return proposals received. These proposals shall be kept confidential for the sole and internal consideration of UNDP.

Any requests for clarification should be sent only in writing to the following persons:

1. Mr. Iori Kato:
iori.kato@undp.org
2. Ms. Virachit Sengsathit:
Virachit.sengsathit@undp.org

Any written reply to a particular question may be copied to all other invited firms/institutions, at the discretion of UNDP.

Format and signing of proposals

The Offeror shall prepare two copies of the Proposal, clearly marking each “Original Proposal” and “Copy of Proposal” as appropriate. In the event of any discrepancy between them, the original shall govern.

The two copies of the Proposal shall be typed or written in indelible ink and shall be signed by the Offeror or a person or persons duly authorised to bind the Offeror to the contract. The latter authorisation shall be indicated by written power-of-attorney accompanying the Proposal.

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

Sealing and marking of proposals

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

- (a) The outer envelope shall be addressed to:

UNDP Resident Representative

United Nations Development Programme

Lane Xang Avenue, PO Box 345

Vientiane, Lao PDR

Tel: +856 (21) 267765 or, 267662

Fax: +856 (21) 264939

and,

- marked with –“**RFP/005/2010_Proposal to Conduct NIM Projects Audit in Lao PDR**”

(b) Both inner envelopes shall indicate the **name and address of the Offeror**. The first inner envelope shall contain Technical proposal with the copies duly marked “Original” and “Copy”. The second inner envelope shall include the Financial proposal/Price schedule duly identified as such.

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

Evaluation and comparison of proposal.

A two-stage procedure is utilized in evaluating the proposals, with evaluation of the technical proposal being completed prior to any price proposal being opened and compared. The price proposal of all offerors, who have attained minimum 70 % score (i.e. 490 score out of 700 score) in the technical evaluation, will be compared. The contract will be awarded to the offeror that receives the highest score out of a pre-determined set of weighted technical and financial criteria as specified below.

Technical Evaluation

The technical proposal is evaluated on the basis of its responsiveness to the Term of Reference (TOR) as per the evaluation criteria below. The obtainable number of points specified for each evaluation criterion indicates the relative significance or weight of the item in the overall evaluation process. The technical component, which has a total possible value of **700** points, will be evaluated using the following criteria:

- a) the firm's experience as well as demonstrated experience and capacity in the specific field of the assignment - **(140 points)**;
- b) the approach in implementing the tasks described in the Terms of Reference - **(280 points)**;
- c) the qualifications and competence of the personnel proposed for the assignment for a total of - **(280 points)**.

Technical Evaluation Criteria

Summary table

Summary of Technical Proposal Evaluation Forms	Score Weight	Points Obtainable	Company / Other Entity				
			A	B	C	D	E

1.	Expertise and capacity of Firm / Organization submitting Proposal	20%	140					
2.	The approach in implementing the tasks described in the Terms of Reference	40%	280					
3.	The qualifications and competence of the personnel proposed for the assignment	40%	280					
Total			700					

Technical Proposal Evaluation Form 1		Points obtainable	Company / Other Entity				
			A	B	C	D	E
Expertise of firm / organization submitting proposal - maximum points 140							
1.1	Reputation of Organization and Staff (Competence / Reliability). General organizational capability.	20					
1.2	Litigation and Arbitration History	10					
1.2	Relevance of: - Specialised Knowledge - Experience on Similar Programme / Projects - Experience on Projects in the Region/ Country Work for UNDP/ major multilateral/ or bilateral programmes	50					
1.3	Does the firm have relevant overseas experience?	10					
1.5	Quality assurance procedures	50					
		140					

Technical Proposal Evaluation Form 2		Points Obtainable	Company / Other Entity				
			A	B	C	D	E
The approach in implementing the tasks described in the Terms of Reference – maximum points 280							
2.1	To what degree does the Offeror understand the	20					

	task?						
2.2	Have the important aspects of the task been addressed in sufficient detail?	70					
2.3	Are the different components of the project adequately weighted relative to one another?	40					
2.4	Is the scope of task well defined and does it correspond to the TOR?	40					
2.5	Is the presentation clear and is the sequence of activities and the planning logical, realistic and promise efficient implementation to the project?	30					
2.6	Is the proposed methodology adequate?	40					
2.7	Is the time schedule proposed for the audit is realistic and meeting required timeframe?	40					
		280					

Technical Proposal Evaluation Form 3		Points Obtainable	Company / Other Entity				
			A	B	C	D	E
The qualifications and competence of the personnel proposed for the assignment maximum 280 points							
3.1	Team Leader/Project Manager	70					
		Sub-Score					
	General Qualification	55					
	Suitability for the Project:						
	- International Experience	10					
	Relevant educational background and certification (Certified Chartered Accountant)	20					
	- Minimum 10 years of Professional Experience in the area of specialization	20					
	- Knowledge of the region	5					
	- Language Qualifications (English)	15					

			70						
3.2	Senior Expert			70					
			Sub-Score						
	General Qualification		55						
	Suitability for the Project								
	- International Experience	10							
	Relevant educational background and certification (Certified Chartered Accountant)	20							
	- Minimum 10 years of professional experience in the area of specialization	25							
	- Language Qualifications (English)		15						
			70						
3.3	Assistant 1 or other key staff			50					
			Sub-Score						
	General Qualification		40						
	Suitability for the Project								
	- Minimum 3 years of Professional Experience in the area of specialisation	30							
	Relevant educational background and certification (minimum Certified Public Accountant)	10							
	- Language Qualification (Eng)		10						
			50						

3.4	Assistant 2 or other key staff			50					
			Sub-Score						
General Qualification			40						
Suitability for the Project									
	- Minimum 3 years of Professional Experience in the area of specialisation	30							
	- Relevant educational background and certification (Certified Public Accountant)	10							
	- Language Qualification		10						
			50						
3.3	Assistant 3 or other key staff			40					
			Sub-Score						
General Qualification			30						
Suitability for the Project									
	- Minimum 2 years Professional Experience in the area of specialisation	20							
	- Relevant educational background and certification (Certified Public Accountant)	10							
	- Language Qualification		10						
			40						
Total Part 3				280					

Price Evaluation.

Evaluation of the price proposals (of all Offerors who have attained minimum 70 % score in the technical evaluation) will be based on the weight scoring method as follows:

- Financial proposals are opened and list of prices is prepared, where the lowest price is ranked as the first one (receiving highest amount of points) and the most expensive as the last one (receiving the least amount of points).
- Lowest price is given maximum points (e.g. 300), for other prices the points are assigned based on the following formula: [Amount of points = lowest price/other price * total points obtainable for financial proposal]

An example:

- Offeror A – lowest price ranked as 1st in the amount of USD 10,000 = a
- Offeror B – second lowest price ranked as 2nd in the amount of USD 15,000 = b
Points assigned to A = 300

Points assigned to B = 200 (following formula: $a/b * 300$ i.e. $10,000/15,000 * 300 = 200$ points)

Combined Technical and Financial Proposal Evaluation Form

Sample: Summary of Technical and Financial Proposals		Points Obtainable	Name of Firm / Institution		
			A	B	C
	Sub-total Technical Proposal	700			
	Sub-total Financial Proposal	300			
	Total for Technical and Financial Proposal	1000			

AWARD OF CONTRACT

Award criteria, award of contract

UNDP reserve the right to accept or reject any Proposal, and to annul the solicitation process and reject all Proposals at any time prior to award of contract, without thereby incurring any liability to the affected Offeror or any obligation to inform the affected Offeror or Offerors of the grounds for the Purchaser’s action

UNDP reserve the right to enter into negotiation with respect to one or more proposals prior to the award of a contract/s, split an award/awards and to consider localized award/awards between any Bidder in any combination, as it may deem appropriate without prior written acceptance of the Bidder.

Prior to expiration of the period of proposal validity, the UNDP entity will award the contract to the qualified Offeror whose Proposal after being evaluated achieved the highest combined score of technical and financial proposals.

As part of transparency in procurement process, UNDP posts all contract awards on its website. The bidders who participate in the bid are therefore encouraged to visit: <http://www.undplao.org/vacancies/procurement.php>

ANNEX II
TECHNICAL PROPOSAL FORMAT
“RFP/005/2010/LAOPDR “AUDIT
OF NIM PROJECTS IN LAO PDR FOR 2010 EXPENDITURE”

To: UNDP Resident Representative

United Nations Development Programme

Lane Xang Avenue, PO Box 345

Vientiane, Lao PDR

Having examined the Solicitation Documents, the receipt of which is hereby duly acknowledged, we the undersigned, offer to supply the required services for the sum as may be ascertained in accordance with the Price Component attached herewith and made part of this proposal.

We undertake, if our proposal is accepted, to commence and complete delivery of all items in the contract within the time frame stipulated.

We understand that you are not bound to accept any proposal you may receive and that a binding contract would result only after final negotiations are concluded on the basis of the Technical and Price Components proposed.

Dated this day of 2010.

Signature

(in the Capacity of)

Duly authorized to sign proposal for and on behalf of:

Note: Financial proposal should be included in separate envelope.

Name of Proposing Organization/Firm:	
Country of Registration:	
Name of Contact Person for this Proposal:	
Address:	
Phone:	
Fax:	
Email:	

Section 1: The firm's experience as well as demonstrated experience and capacity in the specific field of the assignment.

1.1 Reputation, competence and reliability. General organizational capability/
Brief Description of Firm:
 Provide a brief description of the organization / firm submitting the proposal, including the year and country of incorporation, types of activities undertaken, and approximate annual budget. Include a description of your present and ongoing contracts that have a direct relationship to this requirement. Please provide any additional information on organizational capability which is likely to affect implementation (i.e. holding company or one firm, size of the firm/organization, strength of project management support e.g. project financing capacity and project management controls).

1.2 Litigation and Arbitration History:
 Include reference to any history of litigation and arbitration in which the organization / firm has been involved.

1.3 Relevance of: specialised knowledge, expertise on similar projects, experience in the Region, country/ work for UNDP?
 Describe the experience of the organization, as relevant to implementation of this project. Please list previous relevant projects as indicated below. Highlight experience in Lao PDR and other countries, as well as work on major projects.

Name of project	Client	Contract Value	Period of activity	Types of activities undertaken	Reference Contact Details (Name, Phone, Email)
Etc.					
Etc.					

1.4 Experience with international organizations and overseas experience.
 Describe the experience with international organizations as relevant to implementation of this project. Please list previous relevant projects as indicated below. Identify appropriate references including a key executive's name and contact details.

Name of	Client	Contract	Period of	Types of activities	Reference Contact Details

project		Value	activity	undertaken	(Name, Phone, Email)
Etc.					
Etc.					

Section 2: The firm’s approach and timing in implementing the tasks described in the Terms of Reference.

This section should demonstrate the Bidder’s responsiveness to the Terms of reference by identifying the specific components proposed, addressing the requirements, as specified, point by point; providing a detailed description of the essential performance characteristics proposed; and demonstrating how the proposed methodology meets or exceeds the Terms of Reference (TOR).

Section 3: Personnel

This section should fully explain the Bidder’s resources in terms of personnel necessary for the performance of this requirement.

Please include CVs for key personnel (managerial and support staff) that will be provided to support the implementation of this project. CVs should demonstrate qualifications in areas relevant to the Scope of Services.

The quality of key personnel proposed will be an evaluation factor. The Bidder must include as part of its proposal a statement signed by each person proposed as key personnel confirming their present intention to serve in the stated position and their present availability to serve for the term of the proposed contract.

Provision of resumes for other members of the field teams, including letters of commitment, are not mandatory for this submission, but is highly recommended and will be taken into consideration as part of the technical evaluation of the qualifications and availability of proposed personnel

Please use the format below, with each CV no more than THREE pages in length.

Other details:

Please indicate other details relevant to your proposal and RFP.

Name:		
Position for this Assignment:		
Nationality:		
Contact information:		
Language Skills:		
Educational and other Qualifications:		
Summary of Experience:		
Relevant Experience (From most recent):		
Period: From – To	Name of activity/ funding organisation:	Job Title and Activities undertaken:
<i>Etc.</i>		
Referees:	<i>(Name/Title/Organization/Contact Information – Phone; Email)</i>	
Declaration:		
<p>I confirm my intention to serve in the stated position and present availability to serve for the term of the proposed contract.</p> <p>_____</p> <p>Signature</p>		

ANNEX III

Draft of contract and UNDP General terms and conditions for services

“RFP/005/2010/LAOPDR

“AUDIT OF NIM PROJECTS IN LAO PDR FOR 2010 EXPENDITURE”

The following is the draft of the form of contract under which the services would be performed, including the "General Conditions for UNDP Contracts for Professional Services".

Date _____

Dear Sir/Madam,

Ref.: Audit of Project XXXX

The United Nations Development Programme (hereinafter referred to as "UNDP"), wishes to engage your [company/organization/institution], duly incorporated under the Laws of _____ [name of the country] (hereinafter referred to as the "Contractor") in order to conduct a procurement audit in accordance with the following Contract:

1. Contract Documents

1.1 This Contract is subject to the UNDP General Conditions for Professional Services attached hereto as Part A. The provisions of Part A shall control the interpretation of this Contract and in no way shall be deemed to have been derogated by the contents of this letter and any Annexes, unless otherwise expressly stated under section 4 of this letter, entitled "Special Conditions".

1.2 The Contractor and UNDP also agree to be bound by the provisions contained in the following documents, which shall take precedence over one another in case of conflict in the following order:

a) this letter;

b) the Terms of Reference [ref.dated.....], attached hereto as Part B;

c) the Contractor's technical proposal [ref....., dated], as clarified by the agreed minutes of the negotiation meeting¹[dated.....], both documents not attached hereto but known to and in the possession of both parties.

¹ If there are updates to the technical proposal or correspondence exchanged in clarification of certain aspects, reference them too, provided that they are fully acceptable to UNDP. Otherwise, aspects which resolution is pending should be dealt with in this letter itself or in the Statement of Work, as appropriate.

1.3 All the above shall form the Contract between the Contractor and UNDP, superseding the contents of any other negotiations and/or agreements, whether oral or in writing, pertaining to the subject of this Contract.

NAME: _____
TITLE: _____
FIRM: _____
ADDRESS: _____

2. Obligations of the Contractor

2.1 The Contractor shall perform and complete the Services described in Part B with due diligence and efficiency and in accordance with the Contract.

2.2 The Contractor shall provide the services of the following key personnel:

Name	Specialization	Nationality	Period of Service
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2.3 Any changes in the above key personnel shall require prior written approval of XXXX, UNDP.

2.4 The Contractor shall also provide all technical and administrative support needed in order to ensure the timely and satisfactory performance of the Services.

2.5 The Contractor shall submit to UNDP and to (the executing agency) the deliverables specified hereunder according to the following schedule:

Deliverable

- ◆ Draft Management Letter and Audit Report by XXXX

- ◆ Final Management Letter by XXXX

2.6 All reports shall be written in the English language (or specify other).

2.7 The Contractor represents and warrants the accuracy of any information or data provided to UNDP for the Purpose of entering into this Contract, as well as the quality of the deliverables and reports foreseen under this Contract in accordance with the highest industry and professional standards.

3. Price and Payment

Option A: Time and Materials

3.1 The Contractor shall submit invoices for the work done by the individuals names in 2.2 at the rate of [] per day. Invoices shall also include the actual costs of travel (if applicable) and incidental out-of-pocket expenses.

- 3.2 UNDP shall effect payments to the Contractor after acceptance by UNDP of the invoices submitted by the Contractor and after receipt of related deliverables.
- 3.3 Amounts invoiced in excess of those estimated by the Contractor in its proposal must be thoroughly justified. If the justification is not deemed sufficient by UNDP, UNDP may decline to pay the excess amount.

Option B: Fixed Price

- 3.1 In full consideration for the complete and satisfactory performance of the Services under this Contract, UNDP shall pay the Contractor a fixed contract price of US\$XXX.
- 3.2 The price of this Contract is not subject to any adjustment or revision because of price or currency fluctuations or the actual costs incurred by the Contractor in the performance of the Contract.
- 3.3 UNDP shall effect payment for the audit services upon acceptance of invoices as follows:
 - a) 80% of the all-inclusive fixed price upon submission of the Draft Management Letter and Audit Report.
 - b) The remaining 20% upon submission of the Final Management Letter.
- 3.4 Payments effected by UNDP to the Contractor shall be deemed neither to relieve the Contractor of its obligations under this Contract nor as acceptance by UNDP of the Contractor's performance of the Services.
- 4. Submission of invoices
 - 4.1 An original invoice shall be submitted by the Contractor for each payment under the Contract to the address specified in 8.1.
 - 4.2 Invoices submitted by fax shall not be accepted by UNDP.
- 5. Time and manner of payment
 - 5.1 Invoices shall be paid within thirty (30) days of the date of their acceptance by UNDP. UNDP shall make every effort to accept an invoice or so advise the Contractor of its non-acceptance within a reasonable time from receipt.
 - 5.2 All payments shall be made by UNDP to the following Bank account of the Contractor:

_____ [NAME OF THE BANK]

_____ [ACCOUNT NUMBER]

_____ [ADDRESS OF THE BANK]

- 6. Entry into force. Time limits.
 - 6.1 The Contract shall enter into force upon its signature by both parties.

6.2 All time limits contained in this Contract shall be deemed to be of the essence in respect of the performance of the Services.

7. Modifications

7.1 Any modification to this Contract shall require an amendment in writing between both parties duly signed by the authorized representative of the Contractor and XXXX.

8. Notifications

8.1 For the purpose of notifications under the Contract, the fax numbers of UNDP and the Contractor are as follows:

For UNDP:

XXXXXX

For the Contractor:

_____ [INSERT NAME]

_____ [INSERT
ADDRESS]

Fax: _____

If the above terms and conditions meet with your agreement as they are typed in this letter and in the Contract Documents, please initial every page of this letter and its attachments and return to this office one original of this Contract, duly signed and dated.

Yours sincerely,

XXXXXXX

For [INSERT NAME OF THE COMPANY/ORGANIZATION]

Agreed and Accepted:

Signature _____

Name _____

Title _____

Date _____

UNDP GENERAL CONDITIONS OF CONTRACT FOR SERVICES

1.0 LEGAL STATUS:

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

2.0 SOURCE OF INSTRUCTIONS:

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

3.0 CONTRACTOR'S RESPONSIBILITY FOR EMPLOYEES:

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

4.0 ASSIGNMENT:

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

5.0 SUB-CONTRACTING:

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

6.0 OFFICIALS NOT TO BENEFIT:

The Contractor warrants that no official of UNDP or the United Nations has received or will be offered by the Contractor any direct or indirect benefit arising from this Contract or the award thereof. The Contractor agrees that breach of this provision is a breach of an essential term of this Contract.

7.0 INDEMNIFICATION:

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

8.0 INSURANCE AND LIABILITIES TO THIRD PARTIES:

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

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

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

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

8.4.1 Name UNDP as additional insured;

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

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

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

9.0 ENCUMBRANCES/LIENS:

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

10.0 TITLE TO EQUIPMENT: Title to any equipment and supplies that may be furnished by UNDP shall rest with UNDP and any such equipment shall be returned to UNDP at the conclusion of this Contract or when no longer needed by the Contractor. Such equipment, when returned to UNDP, shall be in the same condition as when delivered to the Contractor, subject to normal wear and tear. The Contractor shall be liable to compensate UNDP for equipment determined to be damaged or degraded beyond normal wear and tear.

11.0 COPYRIGHT, PATENTS AND OTHER PROPRIETARY RIGHTS:

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

11.2 To the extent that any such intellectual property or other proprietary rights consist of any intellectual property or other proprietary rights of the Contractor: (i) that pre-existed the performance by the Contractor of its obligations under the Contract, or (ii) that the Contractor may develop or acquire, or may have developed or acquired,

independently of the performance of its obligations under the Contract, the UNDP does not and shall not claim any ownership interest thereto, and the Contractor grants to the UNDP a perpetual license to use such intellectual property or other proprietary right solely for the purposes of and in accordance with the requirements of the Contract.

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

11.4 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 the UNDP, shall be made available for use or inspection by the UNDP at reasonable times and in reasonable places, shall be treated as confidential, and shall be delivered only to UNDP authorized officials on completion of work under the Contract.

12.0 USE OF NAME, EMBLEM OR OFFICIAL SEAL OF UNDP OR THE UNITED NATIONS:

The Contractor shall not advertise or otherwise make public the fact that it is a Contractor with UNDP, nor shall the Contractor, in any manner whatsoever use the name, emblem or official seal of UNDP or THE United Nations, or any abbreviation of the name of UNDP or United Nations in connection with its business or otherwise.

13.0 CONFIDENTIAL NATURE OF DOCUMENTS AND INFORMATION:

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

13.1 The recipient (“Recipient”) of such information shall:

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

13.1.2 use the Discloser's Information solely for the purpose for which it was disclosed.

13.2 Provided that the Recipient has a written agreement with the following persons or entities requiring them to treat the Information confidential in accordance with the Contract and this Article 13, the Recipient may disclose Information to:

13.2.1 any other party with the Discloser's prior written consent; and,

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

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

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

13.2.2.3 for the UNDP, an affiliated Fund such as UNCDF, UNIFEM and UNV.

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

13.4 The UNDP may disclose Information to the extent as required pursuant to the Charter of the UN, resolutions or regulations of the General Assembly, or rules promulgated by the Secretary-General.

13.5 The Recipient shall not be precluded from disclosing Information that is obtained by the Recipient from a third party without restriction, is disclosed by the Discloser to a third party without any obligation of confidentiality, is previously known by the

Recipient, or at any time is developed by the Recipient completely independently of any disclosures hereunder.

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

14.0 FORCE MAJEURE; OTHER CHANGES IN CONDITIONS

14.1 In the event of and as soon as possible after the occurrence of any cause constituting force majeure, the Contractor shall give notice and full particulars in writing to the UNDP, of such occurrence or change if the Contractor is thereby rendered unable, wholly or in part, to perform its obligations and meet its responsibilities under this Contract. The Contractor shall also notify the UNDP of any other changes in conditions or the occurrence of any event that interferes or threatens to interfere with its performance of this Contract. On receipt of the notice required under this Article, the UNDP shall take such action as, in its sole discretion; it considers to be appropriate or necessary in the circumstances, including the granting to the Contractor of a reasonable extension of time in which to perform its obligations under this Contract.

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

14.3 Force majeure as used in this Article means acts of God, war (whether declared or not), invasion, revolution, insurrection, or other acts of a similar nature or force.

14.4 The Contractor acknowledges and agrees that, with respect to any obligations under the Contract that the Contractor must perform in or for any areas in which the UNDP is engaged in, preparing to engage in, or disengaging from any peacekeeping, humanitarian or similar operations, any delays or failure to perform such obligations arising from or relating to harsh conditions within such areas or to any incidents of civil unrest occurring in such areas shall not, in and of itself, constitute force majeure under the Contract..

15.0 TERMINATION

15.1 Either party may terminate this Contract for cause, in whole or in part, upon thirty (30) days notice, in writing, to the other party. The initiation of arbitral proceedings in accordance with Article 16.2 (“Arbitration”), below, shall not be deemed a termination of this Contract.

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

15.3 In the event of any termination by UNDP under this Article, no payment shall be due from UNDP to the Contractor except for work and services satisfactorily performed in conformity with the express terms of this Contract.

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

16.0 SETTLEMENT OF DISPUTES

16.1 Amicable Settlement: The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of this Contract or the breach, termination or invalidity thereof. Where the parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the UNCITRAL Conciliation Rules then obtaining, or according to such other procedure as may be agreed between the parties.

16.2 Arbitration: Any dispute, controversy, or claim between the Parties arising out of the Contract or the breach, termination, or invalidity thereof, unless settled amicably under Article 16.1, above, within sixty (60) days after receipt by one Party of the other Party’s written request for such amicable settlement, shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining. The decisions of the arbitral tribunal shall be based on general principles of international commercial law. For all evidentiary questions, the arbitral tribunal shall be guided by the Supplementary Rules Governing the Presentation and Reception of Evidence in International Commercial Arbitration of the International Bar Association, 28 May 1983 edition. The arbitral tribunal shall be empowered to order the return or destruction of goods or any property, whether tangible or intangible, or of any confidential information

provided under the Contract, order the termination of the Contract, or order that any other protective measures be taken with respect to the goods, services or any other property, whether tangible or intangible, or of any confidential information provided under the Contract, as appropriate, all in accordance with the authority of the arbitral tribunal pursuant to Article 26 (“Interim Measures of Protection”) and Article 32 (“Form and Effect of the Award”) of the UNCITRAL Arbitration Rules. The arbitral tribunal shall have no authority to award punitive damages. In addition, unless otherwise expressly provided in the Contract, the arbitral tribunal shall have no authority to award interest in excess of the London Inter-Bank Offered Rate (“LIBOR”) then prevailing, and any such interest shall be simple interest only. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute, controversy, or claim.

17.0 PRIVILEGES AND IMMUNITIES:

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

18.0 TAX EXEMPTION

18.1 Section 7 of the Convention on the Privileges and Immunities of the United Nations provides, inter-alia that the United Nations, including its subsidiary organs, is exempt from all direct taxes, except charges for public utility services, and is exempt from customs duties and charges of a similar nature in respect of articles imported or exported for its official use. In the event any governmental authority refuses to recognize the United Nations exemption from such taxes, duties or charges, the Contractor shall immediately consult with the UNDP to determine a mutually acceptable procedure.

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

19.0 CHILD LABOUR

19.1 The Contractor represents and warrants that neither it, nor any of its suppliers is engaged in any practice inconsistent with the rights set forth in the Convention on the

Rights of the Child, including Article 32 thereof, which, inter alia, requires that a child shall be protected from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical mental, spiritual, moral or social development.

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

20.0 MINES:

20.1 The Contractor represents and warrants that neither it nor any of its suppliers is actively and directly engaged in patent activities, development, assembly, production, trade or manufacture of mines or in such activities in respect of components primarily utilized in the manufacture of Mines. The term "Mines" means those devices defined in Article 2, Paragraphs 1, 4 and 5 of Protocol II annexed to the Convention on Prohibitions and Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects of 1980.

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

21.0 OBSERVANCE OF THE LAW:

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

22.0 SEXUAL EXPLOITATION:

22.1 The Contractor shall take all appropriate measures to prevent sexual exploitation or abuse of anyone by it or by any of its employees or any other persons who may be engaged 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 appropriate measures to prohibit its employees or other persons engaged by it from, exchanging any money, goods, services, offers of employment or other things of value, for sexual favors or activities, or from engaging in any sexual activities that are exploitive or degrading to any person. The Contractor acknowledges and agrees that the provisions hereof

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

22.2 The UNDP shall not apply the foregoing standard relating to age in any case in which the Contractor's personnel or any other person who may be engaged by the Contractor to perform any services under the Contract is married to the person less than the age of eighteen years with whom sexual activity has occurred and in which such marriage is recognized as valid under the laws of the country of citizenship of such Contractor's personnel or such other person who may be engaged by the Contractor to perform any services under the Contract.

23.0 AUTHORITY TO MODIFY:

Pursuant to the Financial Regulations and Rules of UNDP, only the UNDP Authorized Official possesses the authority to agree on behalf of UNDP to any modification of or change in this Agreement, to a waiver of any of its provisions or to any additional contractual relationship of any kind with the Contractor. Accordingly, no modification or change in this Contract shall be valid and enforceable against UNDP unless provided by an amendment to this Agreement signed by the Contractor and jointly by the UNDP Authorized Official.

ANNEX IV

**Indicative List of Projects to be Audited for Y2010 Expenditure
“RFP/005/2010/LAOPDR**

“AUDIT OF NIM PROJECTS IN LAO PDR FOR 2010 EXPENDITURE”