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| **[CONTRACTOR’S NAME AND ADDRESS]** |
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| **CONTRACT FOR CONSTRUCTION SERVICES** |
| **[PO NUMBER]** |
| **between** |
| **THE INTERNATIONAL LABOUR ORGANIZATION** |
| **represented by** |
| **THE INTERNATIONAL LABOUR OFFICE** |
| **and** |
| **[COMPANY NAME]** |

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| **Time for Completion of the Works** | : | **[TO BE COMPLETED]** |
| **Currency and Total Value of the Contract** | : | **[CURRENCY AND TOTAL VALUE]** |
| **ILO Programme/Project Name** | : | **COVID-19 socio-economic recovery for returning migrants and host communities in North West Cambodia (KHM/21/02/NZL)** |

Contract for Construction Services (No. PO [to be completed])

This Contract is made and entered into on [date] by and between the International Labour Organization, represented by the International Labour Office, itself represented by the Director of its Office for Thailand, Cambodia and Lao People’s Democratic Republic (hereinafter “ILO”), located at the United Nations Building, Rajdamnern Nok Avenue, Bangkok 10200, Thailand, and [contractor’s name] (hereinafter “Contractor”) a corporation with its office located at [address].

**STATEMENTS:**

Whereas the ILO declares through its authorized representative:

1. The ILO was created in 1919 as part of the Treaty of Versailles and enjoys such privileges and immunities as are necessary for the independent fulfilment of its purposes pursuant to the *Constitution of the International Labour Organisation* as recognized in the Convention on the Privileges and Immunities of the Specialized Agencies (1947) and its Annex I relating to the ILO ratified by Cambodia on 15 October 1953, and relevant national and international law, including the Revised Standard Agreement concerning technical assistance signed at Phnom-Penh on 28 August and 5 October 1956.

2. The Parties recognize that the Contract is part of the project “COVID-19 socio-economic recovery for returning migrants and host communities in North West Cambodia” (KHM/21/02/NZL) financed by the Ministry of Foreign Affairs and Trade of New Zealand. The relevant Commune authorities are the main partners of the ILO at the local level. They own the infrastructure targeted by the project and are the beneficiary of the Works that will be performed under the present Contract.

Whereas the Contractor declares through its authorized representative:

1. The Contractor is a legally established corporation and has the full legal right, corporate power and authority to enter into and perform all its obligations under this Contract.

2. The Contractor is experienced in and familiar with all aspects of the services, materials and equipment to be provided under the Contract and has extensive technical, operational, administrative and human resources necessary to carry out the Works under the Contract. The Contractor is properly licensed, qualified, equipped, organized and financially able to perform the Works in accordance with all applicable laws, ordinances, regulations and rules. Personnel used in the performance of the Works will have the qualifications, skills and experience necessary to perform the Works and will have the Work record as represented to the ILO. The Contractor has taken field measurements and has verified all field conditions, which may affect the Works and is aware and has fully accounted for the conditions, specification, Work schedules, budgets and economic planning of the project.

3. All Contractor’s employees, agents and subcontractors, having access to the ILO’s confidential Information will be advised of the obligations contained in Paragraph 11 of the Terms and Conditions applicable to ILO Contracts (Exhibit A) and shall abide by them.

4. The Contractor is an independent contractor and agrees to perform the Work under the terms and conditions of this Contract.

**ARTICLES:**

# ARTICLE 1 CONTRACTUAL DOCUMENTS

The Contract is composed of the following documents listed in their order of precedence:

* This Contract document;
* Exhibit A: Terms and Conditions applicable to ILO Contracts;
* Exhibit B: Bidding Documents including the Terms of Reference in Annex I, and Technical Specifications and Drawings in Annexes IIIA to IIID;
* Exhibit C: Offer of the Contractor;
* Exhibit D: Bill of Quantities;
* Exhibit E: Workplan;
* Exhibit F: Form of Contractor’s Monthly Statement (monthly measurement of Services);
* Exhibit G: List of Key Personnel;
* Exhibit H: Performance Guarantee Template.

Other documents expressly incorporated by reference in the foregoing, and Modifications issued after performance of this Contract, are as fully a part of the Contract as if attached to this Contract or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral.

**ARTICLE 2 WORKS**

The Contractor shall fully execute the Works described in the Contract, except to the extent specifically indicated in the Contract to be the responsibility of others. If any Works have been commenced or performed prior to the performance of the Contract, such Works shall be subject to the terms and conditions of the Contract, as applicable.

**Contractor's Construction Schedules (Workplan)**

Unless otherwise instructed by the ILO, the Contractor shall prepare and submit for the ILO's information a Contractor's construction schedule for the Works (Workplan). The Workplan may be annexed to the Contract. The Workplan shall be prepared in the Contractor's customary form for scheduling and controlling construction activities. The Workplan shall not exceed the Time for Completion and other time limits under the Contract. This Workplan will be reviewed by the ILO, who may request adjustments and changes. The Workplan presented by the Contractor and approved by the ILO will be defined as the “baseline” of the project’s implementation. This Workplan shall be revised at appropriate intervals as required by the conditions of the Works and project, shall relate to the entire project to the extent required by the Contract, and shall provide for expeditious and proper execution of the Works. The Contractor shall perform the Works in accordance with the most recent construction Workplan.

If requested by the ILO, a copy of the updated Workplan will be submitted each month with the Contractor’s Monthly Statement with an indication of the actual progress of construction through previous months with relation to the initial Workplan.

The Contractor shall prepare and keep current, for the ILO's approval, a schedule of submittals, which is coordinated with the Contractor's Workplan and allows the ILO reasonable time of not less than seven (7) days to review all submittals.

**ILO's Right to Inspect the Works**

The ILO shall have complete access to any portion of the Works at any time for the purpose of inspection thereof, including materials stored off site. The ILO shall have the right to comment at any time on the Contractor's performance and to require strict compliance with the Contract.

**ARTICLE 3 DATE OF COMMENCEMENT AND TIME FOR COMPLETION OF THE WORKS**

The date of commencement of the Works shall be stated in a Notice to proceed issued by the ILO. The Time for Completion shall be six (6) months measured from the date of commencement, subject to adjustment by Modification, as described in the Contract.

# ARTICLE 4 PRICE

The ILO shall pay the Contractor the prices based on bill of quantities for Contractor's performance of the Contract. The prices based on bill of quantities shall be [to complete amount and currency], subject to adjustment by change order as described in the Contract. The prices based on bill of quantities cover all Contractor's obligations under the Contract and all things necessary for the proper, execution and completion of the Works and the remedying of any defects, including all fee, licenses, overhead, profit and general conditions.

**ARTICLE 5 PAYMENTS**

The Contractor shall submit Monthly Statements to the ILO in the form attached hereto as Exhibit F, addressed to the following:

International Labour Office

Country Office for Thailand, Cambodia

and Lao People’s Democratic Republic

United Nations Building

Rajdamnern Nok Avenue

Bangkok 10200

Thailand

**Progress Payments:** Based on Monthly Statements submitted by the Contractor to the ILO in accordance with the Contract, the ILO shall make Progress Payments to the Contractor on account of the unit prices based on bill of quantities. The currency for payments by the ILO to the Contractor shall be USD.

**Final Payment:** A Final Payment of [amount] shall be made by the ILO within thirty (30) days after issuance of the Certificate of Final Acceptance of the Works by the ILO, as stated in Article 18 of the Contract.

**ARTICLE 6 WARRANTIES**

The Warranty Period shall commence on the date of Final Acceptance of all of the Works as established in the Certificate of Final Acceptance and shall continue for a period of six (6) months. During this Period, the Contractor shall be liable for the soundness and safety of the Works, the materials and the ground conditions.

In addition, the Contractor warrants to the ILO that all products and equipment furnished under the Contract will be of good quality and new, and that the Works will be free from defects and conform to the requirements of the Contract. The Contractor's warranty excludes defects caused by abuse, modifications not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear under normal usage. Upon request, the Contractor shall furnish satisfactory evidence as to the kind and quality of the products and equipment. The Contractor shall include a six (6) month manufacturer’s warranty on all products and equipment after the Final Acceptance of the Works.

The Contractor warrants that no product, equipment, software, methodology, design, device, material, process, report, trademark, documentation or information provided to the ILO or used in connection with the Works violates or infringes upon any Intellectual Property of any third party and hereby agrees to indemnify and hold the ILO and its personnel harmless from any losses, damages, liabilities, causes of action, judgments, costs, or expenses, including attorneys' fees, which may result from the breach or alleged breach of this warranty.

Works not conforming to the requirements of the ILO, including substitutions not properly approved and authorized, shall be considered defective. At no additional cost to the ILO, the Contractor agrees to replace any infringing part(s) and provide any service necessary to maintain the level of performance thereof, provided, however, that upon written notice to the Contractor of an infringement or alleged infringement, the ILO shall have the right to terminate immediately the Contract.

The Contractor warrants that it has made and will make full and proper disclosure to the ILO of all relevant information relating to its business activities, financial condition and ownership, prior to entering into this Contract and for its duration, including that it is not identified on or associated with any individual, groups, undertakings and entities identified on the United Nations Security Council Consolidated List; and that it is not, nor has been, subject to any sanction or temporary suspension imposed by any government, supranational organization (e.g., European Union), another entity of the United Nations System or multilateral development finance institution, including the World Bank Group.

The Contractor agrees to undertake all reasonable efforts to ensure that no funds received under the Contract are used, directly or indirectly, to provide support to individuals or entities associated with terrorism and that recipients of any funds provided by the ILO do not appear on the United Nations Security Council Consolidated List.

The Contractor represents and warrants that it has disclosed to the ILO whether it has, at any time during the previous five (5) years, been subject to (i) suspension or debarment by the ILO under any of its policies and procedures; or (ii) a sanction by any government, supranational organization (e.g., European Union), another entity of the United Nations System or multilateral development finance institution, including the World Bank Group. The Contractor will disclose to the ILO if it becomes subject to any sanction or temporary suspension during the term of the Contract. The Contractor recognizes that a breach of this provision constitutes a fraudulent practice.

The Contractor represents and warrants that it will report to the ILO any suspected Proscribed Practices or Prohibited Conduct, as defined in Paragraph 12.3 of the Terms and Conditions applicable to ILO Contracts (Exhibit A), related to the ILO-financed activities of which it has knowledge or of which it becomes aware, and that it will assist the ILO in investigating any allegations and in uncovering any evidence of Proscribed Practices or Prohibited Conduct related to the ILO-financed activities as applicable.

**ARTICLE 7 PROJECT MANAGEMENT**

The project management will be carried out by the ILO in Cambodia. The Project Manager will be Mr Eav Kong, ILO Project Manager. Any change of the Project Manager will be communicated by the ILO in writing to the Contractor.

The Project Manager is granted the power to represent the ILO in relation to the day-to-day management of the Works, which includes the supervision, coordination and evaluation of the Works, and will manage receipt of any communications from, as well as the submission of plans, documents and Monthly Statements by the Contractor. The Project Manager has the right to reject any Works, which are not in conformity with any requirements of this Contract, approve Monthly Statements submitted by the Contractor and any other matters having a financial implication on the project.

**ARTICLE 8 ILO FOCAL POINT AND PROJECT COORDINATOR**

The ILO Focal Point for communications and logistics shall be Mr Eav Kong, [kong@ilo.org](mailto:kong@ilo.org), of the ILO Country Office for Thailand, Cambodia and Lao People’s Democratic Republic.

The ILO’s Project Coordinator responsible for the technical and contractual administration of this Contract shall be Mr Graeme Buckley, [buckleyg@ilo.org](mailto:buckleyg@ilo.org).

Delegation to another ILO Official shall be communicated to the Contractor in writing.

**ARTICLE 9 TAXES**

Pursuant to the 1947 United Nations Convention on Privileges and Immunities of the Specialized Agencies and its Annex I relating to the ILO, the ILO enjoys a special tax status in Cambodia, and may be exempt from the payment of sales, use, and similar taxes upon the purchase of materials and supplies required to be included in and remaining part of the improvements or otherwise utilized exclusively in the Works ("Tax Exempt Items"). The ILO’s exemption from taxation does not extend to any taxes the Contractor must contribute or withhold on behalf of its officers, agents or employees or to any sales or other taxes the Contractor may incur.

**ARTICLE 10** **PERMITS, FEES AND NOTICES**

Pursuant to the ILO’s privileges and immunities as an international organization, the ILO is not required, nor does it intend under ordinary circumstances, to obtain or require to be obtained on its behalf construction or building permits from any governmental entity in connection with the Works for which the Contractor has been contracted under this Contract. Notwithstanding the foregoing, the Contractor shall procure, maintain and pay all costs of the permits and permissions necessary for the performance of its services.

It is the Contractor's responsibility to ascertain that the Contractual Documents are in conformity with Law and all applicable building codes. The Contractor has carefully studied the Contractual Documents and has given notice to the ILO of any discrepancies between the Contractual Documents and laws and/or building codes. Should the Contractor become aware of any discrepancies after the date of the Contract, the Contractor shall promptly give notice of the same to the ILO before proceeding with any Works affected thereby. Upon receipt of such Notice, the ILO will issue an interpretation, which shall be final and shall be adhered to by the Contractor at no additional cost to the ILO. If the Contractor performs any Works, which involve a recognized discrepancy with any applicable laws or building codes without giving prior notice to the ILO, the Contractor shall assume full responsibility for such performance and shall bear the costs of correction and any damages to the ILO.

The Contractor shall be solely responsible for identifying and informing the ILO in writing of any and all construction and building permits from any governmental entity, which are required in connection with the Works. The Contractor represents that all the Works shall be in compliance with applicable standards, laws and building codes that would allow the ILO to obtain all such permits if it so desired. In addition, the Contractor shall secure and maintain, on behalf of the ILO, any permits, which the ILO in its sole discretion requires the Contractor to secure and maintain.

If the Contractor performs any of the Works negligently or knowingly to be contrary to the Law or building codes, the Contractor shall assume full responsibility for such Works and shall bear the attributable costs thereof, unless the ILO instructs the Contractor in writing to proceed after notice has been given in accordance with the present Article 10.

**ARTICLE 11 LABOUR**

**Labour Law**

The Contractor shall comply with Cambodia Labour Law and its statutory additions and amendments. The Contractor shall ensure that the regulations pertaining to the employment of labour for the Works are fully understood and effected during the period of the Contract. In particular, the Contractor shall take note of those regulations regarding: employment of women and children; equal pay and conditions; payment of workers; recruitment procedures; and right of free association. The Contractor shall be entitled to operate a task work, daily wage, piece work or other system of working, as long as it is allowed for in the prevailing labour law regulations.

**Recruitment of Labour**

All general workers employed by the Contractor shall be recruited from amongst the local population in the vicinity of the work sites, targeting in particular returned migrants and most vulnerable households. The Contractor shall notify the ILO at least one week ahead of any major recruitment. The notification shall state venue, date and time when the enrolment will take place.

**Employment Records**

The Contractor shall keep full, complete, and accurate records of the employment of labour at the site of the Works (by filling the muster roll and labour registration in the formats provided by the ILO). These shall include the name, age, gender, home village, identity number, labour office registration (if any), payments and deductions (if any). These records shall be available for inspection at all reasonable times.

**Task and Piecework Systems**

The Contractor shall observe and fulfil particularly the following conditions with respect to all Workers employed in the execution of the Contract under a task or piecework system:

* The size of the daily task shall be that which a worker can reasonably complete during a normal working day (8 hours).
* The rate of the task will vary depending on the terrain and ground conditions. The Contractor in consultation with the ILO shall agree on the task level and payment system to be applied.
* The ILO may further stipulate a minimum labour wage rate per workday for productivity-related output (task work). The minimum labour wage rate that applies for this project shall be USD 8.5/WD.

**Reporting Requirements**

During the execution of the Works, the Contractor shall maintain detailed muster rolls showing attendance and wages paid to all personnel employed and shall produce at any time such records for inspection by any person authorized by the Employer. The Contractor shall further keep daily records of all information and data related to its Workers such as category of labour, numbers employed and productivity per person. Other information are gender records, wage rate, machine output, etc. The records for each calendar month shall be made available to the ILO not later than the first week of the following month, together with the Monthly Statement submission.

**Immediate Payment of Wages**

At the request of the Contractor for the immediate payment of the labour wages, the ILO may agree to certify, at intervals of not less than one month, the total amount of the Contractor’s labour wages and allowances (if any) in accordance with the pay-sheets, with an additional ten per cent (10%) for administrative overheads. The ILO shall pay the certified amount to the Contractor within one calendar week after receipt of the certificate. The Contractor shall pay the amount of the wages and allowances (if any) to the workers within three days after receiving the amount from the ILO. Failure by the Contractor to pay within this time may result in the withdrawal of this payment arrangement by the ILO. The Project Manager shall have power to discontinue this payment arrangement if he decides that it is no longer required for the satisfactory completion of the Contract. The amount of any payment made under this clause shall be deducted from any monies due to the Contractor for completed work under the subsequent Progress Payment.

**Non-payment of Wages by the Contractor**

Any dispute between the Contractor and Workers, regarding delayed payment or default in payment of fair or complete wages, if not resolved immediately may force the ILO to intervene. The ILO will, upon the Contractor defaulting payment, pay the monies due to the Workers not honoured in time, out of any monies due or which may become due to the Contractor under the Contract. In such events, the Contractor is bound to co-operate with the ILO in the processing of the payment of the correct amounts of monies due to the labour force by submitting the relevant muster-rolls, workday reports and pay-sheets, and be represented during the payments. Direct payment of Workers by the ILO will attract a penalty of 10% of the amount stated in the relevant muster-rolls, to cover expenses incurred in the administration of such wage payments. Continuing default by the Contractor may be a cause for suspension of the Works under the Contract.

**Contractor’s Personnel**

The Contractor shall employ site supervision Personnel as stated in the list of Key Personnel (Exhibit G). The ILO shall approve all Personnel before being engaged on site and shall have the power to require the removal from site of any Personnel it considers insufficiently skilled for the type of Works to be performed under the Contract. The Contractor will provide an appropriate replacement or replacements for such Personnel within ten (10) working days or within a period as mutually agreed.

The Contractor’s Key Personnel, listed in Exhibit G, is considered essential for the performance of the Works. In consequence:

* Prior to replacing any Key Personnel, the Contractor will notify the ILO reasonably in advance and will submit detailed justifications together with the curriculum vitae of members of the proposed replacement Personnel in order to allow, firstly, their evaluation by the ILO and, secondly, an estimate of the impact of the said replacement on the planning of the Works.
* The Contractor will not replace any Key Personnel without the prior written consent of the ILO, which approval will not be unreasonably withheld.
* If any Key Personnel are removed by the Contractor or for any reason are no longer available to perform the Works, the Contractor will propose replacement Personnel acceptable to the ILO of equal or better knowledge, experience and ability to carry out the assigned tasks.

In the event that an agreement between the ILO and the Contractor upon the replacement Personnel has not been reached within ten (10) working days or within a period as mutually agreed, the ILO reserves the right to terminate the Contract immediately. The delay stated in paragraph 14.2.1 of the Terms and Conditions Applicable to ILO Contracts will not apply.

All costs relating to or arising from replacement of Contractor’s Personnel will be borne by the Contractor.

**Working Hours**

The Contractor shall not perform any work outside regular agreed site working hours, unless authority to do so has been obtained in writing from the ILO.

**Provision of Hand Tools**

The Contractor shall provide its Workers with hand tools of adequate quality, appropriate for each activity, sufficient in numbers and shall maintain the tools in good and safe working conditions. Detailed minimum requirements and specifications for hand tools standards will be provided by the Project Manager.

**Safety and Health**

The Contractor shall be responsible for the safety of all activities at the work sites. The Contractor shall provide all Personnel on-site with adequate safety protection equipment and clothing, appropriate to the work being performed.

The ILO may organize campaigns enhancing safety awareness among the workforce on site and regarding general health issues, including the prevention of spreading of HIV/AIDS and prevention of COVID-19 infections. The Contractor shall allow its Personnel to attend such campaign events during normal working hours and without deduction of pay.

**Labour Inspectorate**

The properly designated officers of the Labour Inspectorate shall have the right to visit the site of the works at any reasonable time for the purpose of inspecting labour records and otherwise checking the Contractor’s compliance with labour laws and regulations. The Inspectorate shall also have the right to call for meetings of the Workers for the purpose of explaining their rights and obligations under the statutory regulations.

**ARTICLE 12 RELATIONSHIP OF PARTIES**

Nothing contained in the Contract shall be construed as the establishment or creation of a relationship of employer and employee between the ILO and the Contractor, it being agreed that the position of the Contractor and anyone else performing any of the Works hereunder is that of an independent contractor. The agents or employees of the Contractor engaged in performing the Works hereunder are employees of the Contractor for all purposes and will under no circumstances be deemed to be employees of the ILO.

Nothing in the Contract shall be deemed a waiver of any of the privileges and immunities of the International Labour Organization recognized in the Convention on the Privileges and Immunities of the Specialized Agencies (1947), and relevant national and international law.

**ARTICLE 13 ESCALATION PROCESS**

The parties shall use their best efforts to amicably settle any dispute, controversy, or claim arising out of the Contract or the breach, termination, or invalidity thereof by direct informal negotiations, including, where agreed, by referral, to an executive level of authority within the parties. This referral shall be:

1. Project Coordinator: Mr Eav Kong, kong@ilo.org, for the ILO and [name and email] for the Contractor. If they are not able to find an agreement within a period of ten (10) days (or a period mutually agreed by the parties), the dispute will be escalated to:
2. Mr Graeme Buckley, buckleyg@ilo.org, for the ILO and [name and email] for the Contractor, where the parties will have a period of fifteen (15) days (or a period mutually agreed by the parties) in which to find an agreement.

**ARTICLE 14 ARBITRATION**

Unless settled amicably under Article 13 of the Contract and by way of derogation from paragraph 16 of the Terms and Conditions applicable to ILO Contracts (Exhibit A), within sixty (60) days after receipt by one party of the other party’s written request, any dispute, controversy or claim arising out of the Contract, or the breach, termination, or validity thereof, or its existence or interpretation will be settled by arbitration in accordance with the UNCITRAL Arbitration Rules then prevailing. During arbitration proceedings, unless the ILO exercises its suspension rights pursuant to Paragraph 14 of the Terms and Conditions applicable to ILO Contracts (Exhibit A), the Contractor shall proceed diligently with performance of the Contract and the ILO shall continue to make payments for Works not in dispute in accordance with the Contract. In addition:

* 1. the place of arbitration will be Bangkok;
  2. the decisions of the arbitral tribunal will be based on general principles of international commercial law and the Cambodia substantive requirements on matters related to environment, labour, safety and health, and construction as binding on the Contractor;
  3. the arbitral tribunal will have no authority to award punitive damages;
  4. the parties will be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute, controversy, or claim arising out of the Contract, or the breach, termination or invalidity thereof; and
  5. the arbitration proceedings shall be conducted in English.

The courts of Cambodia shall have exclusive jurisdiction in connection with the Contract exclusively for the following legal actions: 1) to compel arbitration by a party that refuses to submit to arbitration after receiving Notice from the other party, or 2) to enforce an arbitration award issued by the arbitral tribunal, following the final arbitration decision.

**ARTICLE 15 RULING LANGUAGE**

The ruling language and language for communications with respect to the Contract and the Works shall be English. The Contract is signed in English. In the event this Contract is translated into a language other than English, the English version will prevail. If there are versions of any part of the Contract, which are written in more than one language, the English will prevail.

**ARTICLE 16 NOTICE**

Whenever Notice to the ILO is required by the Contract, such Notice shall be deemed to have been given only if made in writing and delivered (a) in person to the Project Manager, or (b) by internationally recognized overnight delivery service with proof of receipt to the following:

International Labour Office

Country Office for Thailand, Cambodia

and Lao People’s Democratic Republic

United Nations Building

Rajdamnern Nok Avenue

Bangkok 10200

Thailand

Attention: Mr Graeme BUCKLEY, Director, ILO Country Office for Thailand, Cambodia

and Lao People’s Democratic Republic

Whenever Notice to the Contractor is required by the Contract, such Notice shall be deemed to have been given only if made in writing and delivered (a) in person to [contract manager name], Contract Manager, or (b) by internationally recognized overnight delivery service with proof of receipt to the following:

[Contractor’s name and address]

Attention: [name of contact person for the Contractor]

**ARTICLE 17 SUBCONTRACTORS**

The Contractor is not authorised to subcontract any part of the Works.

**ARTICLE 18 ACCEPTANCE**

After completion of the Works in accordance with the Contract, upon receipt of a written statement from the Contractor that the Works are ready for Final Acceptance and receipt of a final Payment Claim, the ILO will promptly make an inspection in the presence of the Contractor, as the case may be.

The inspection will aim at verifying that: (a) the Works have been performed and completed in accordance with the Contract; (b) all Works have been thoroughly checked, tested and adjusted by the Contractor to ensure that they are in good working condition and operating properly; and, (c) the Works are ready for use by the beneficiaries, i.e. the relevant Commune authorities.

Further to the inspection, if the ILO finds the Works acceptable under the Contract and the documents and items listed under a) and b) below have been submitted to the ILO, the ILO will issue a Certificate of Final Completion and proceed with a final payment (after deduction of any amounts owed by the Contractor to the ILO):

a) all warranties and manufacturer’s instructions on products and equipment furnished and installed by the Contractor;

b) the relevant certificate of occupancy, issued by the public authorities of the country or area where the Works took place, as the case may be.

The ILO may require other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the ILO.

**ARTICLE 19 BANK SECURITIES**

If requested by the ILO, the Contractor shall provide an Advance Payment Security, a Performance Security, and/or a Warranty Security, that are required to be:

1. subject to the Uniform Rules for Demand Guarantees (URDG) 2010 revision, ICC Publication No. 758, except with respect to the supporting statement under article 15(a) of the URDG;
2. issued by a bank or another institution, approved by the ILO;
3. in the form annexed to the Contract, or in another form approved by the ILO;
4. payable on first demand;
5. in the currency, amount or percentage and duration set forth in the Contract; and
6. issued at the sole cost of the Contractor.

Failure to provide any required Security within fifteen (15) days from the due date will entitle the ILO to consider the Contract as null and void in the case of an Advance Payment Security or Performance Security and will entitle the ILO to withhold payment from or deduct payment to the Contractor in the case of a Warranty Security.

For the purposes of the Securities listed below, the Contractor’s failure to respond to any ILO demand for payment or any request to execute any of its obligations under the Contract, or rectify a problem (as a result of the Contractor’s breach of its obligations under the Contract) within five (5) days shall give rise to the ILO’s right to request payment under the appropriate Security.

**Performance Security**

The Contractor shall obtain a Performance Security for the performance of the Contractor’s obligations throughout the performance of the Contract and the Warranty Period stated in Article 6 of the Contract.

The amount of the Performance Security shall be ten (10) % of the total Contract Price. The Contractor shall deliver the Performance Security to the ILO within [14 days] after [Contract signature] and shall submit the original to the ILO.

The Contractor shall ensure that the Performance Security is valid and enforceable until the final site visit has been conducted at the end of the Warranty Period and once the Contractor has corrected any possible defects to the satisfaction of the ILO.

Without limitation to the provisions of the rest of this Paragraph, in the event of a Change increasing the Price(s) by more than 15%, the Contractor shall at ILO's request promptly increase the value of the Performance Security by an equal percentage.

**ARTICLE 20 CORRECTION OF THE WORKS**

The Contractor shall promptly correct any Works rejected by the ILO or failing to conform to the requirements of the Contract. The Contractor shall bear costs of correcting such rejected Works, including additional testing and inspections and compensation for the ILO's and any consultant's services and expenses made necessary thereby.

The relevant Commune authority has the right to attend site visits, including the visits pertaining to and preceding the Final Completion of the Works. Any reservations formulated by the relevant Commune authority are recorded in the corresponding minutes. However, the ILO shall retain final authority in accepting or rejecting the Works or any part thereof.

If within thirty (30) days after discovery of a latent defect not reasonably discoverable at the time of Final Completion any part of the Works is found to be not in accordance with the requirements of the Contract, the Contractor shall correct it promptly after being informed of same in writing by the ILO. This obligation shall survive acceptance of the Works under the Contract and termination of the Contract.

The Contractor shall remove from the site any portions of the Works, which are not in accordance with the requirements of the Contract and are not corrected by the Contractor or accepted by the ILO.

The Contractor shall bear the cost of correcting destroyed or damaged construction, whether completed or partially completed, of the ILO or separate contractors caused by the Contractor's correction or removal of any part of the Works, which is not in accordance with the requirements of the Contract.

Nothing contained in this Article shall be construed to establish a period of limitation with respect to other obligations, which the Contractor might have under the Contract.

**ARTICLE 21 HANDOVER OF THE WORKS**

The Works as well as all Intellectual Property developed under the Contract are the property of the ILO.

The property of equipment installed, and Works and services performed under the Contract will be transferred by the ILO to the relevant Commune authority once the Warranty Period provided for in Article 6 of the Contract has ended and all the Works rejected by the ILO or failing to conform to the requirements of the Contract have been corrected. The relevant Commune authority will accept and take charge of the Works as they are on the date of handover of the Works and will assume full responsibility and care of any further management and maintenance of the Works. The ILO will no longer be responsible for this project and the Contractor shall deal directly with the relevant Commune authority on all issues related to the Contract, including the state, quality and viability of the Works carried out by the Contractor, as well as any damage to them.

**ARTICLE 22 NON-EXCLUSIVE**

Nothing in the Contract will be construed to restrict the ILO’s soliciting, purchasing or performing work similar or identical to the Works being performed by the Contractor.

**IN WITNESS WHEREOF**, the parties hereto duly execute this Contract all as of the day and date first below written, each by a duly authorized officer or officers.

|  |  |  |
| --- | --- | --- |
| **INTERNATIONAL LABOUR ORGANIZATION** |  | **CONTRACTOR** |
|  |  |  |
| Authorized Representative |  | Authorized Representative |
|  |  |  |
| Signature |  | Signature |
|  |  |  |
| Title |  | Title |
|  |  |  |
| Date |  | Date |
|  |  |  |

**EXHIBIT A TO CONTRACT FOR CONSTRUCTION SERVICES**

**TERMS AND CONDITIONS APPLICABLE TO ILO CONTRACTS**

**EXHIBIT B TO CONTRACT FOR CONSTRUCTION SERVICES**

**BIDDING DOCUMENTS INCLUDING THE TERMS OF REFERENCE IN ANNEX I, AND TECHNICAL SPECIFICATIONS AND DRAWINGS IN ANNEXES IIIA TO IIID**

**EXHIBIT C TO CONTRACT FOR CONSTRUCTION SERVICES**

**OFFER OF THE CONTRACTOR**

**EXHIBIT D TO CONTRACT FOR CONSTRUCTION SERVICES**

**BILL OF QUANTITIES**

**EXHIBIT E TO CONTRACT FOR CONSTRUCTION SERVICES**

**WORKLPAN**

**EXHIBIT F TO CONTRACT FOR CONSTRUCTION SERVICES**

**FORM OF CONTRACTOR’S MONTHLY STATEMENT**

**EXHIBIT G TO CONTRACT FOR CONSTRUCTION SERVICES**

**LIST OF KEY PERSONNEL**

**EXHIBIT H TO CONTRACT FOR CONSTRUCTION SERVICES**

**PERFORMANCE GUARANTEE TEMPLATE**