International
Labour
Organization

INVITATION TO BID 0124/IRQ/22/01/HAB Constructing Employment Services Building – Basra

RESPONSES TO BE RECEIVED BY 08/02/2024 14:00, IRAQ TIME

Sustainable Procurement (SP) integrate requirements, specifications and criteria that are compatible and in favor of the protection of the environment, social progress and in support of economic development, namely by seeking resource efficiency, improving the quality of products and services, and ultimately optimizing costs as well (as defined by the HLCM Procurement Network).

Sustainable Procurement contributes to the achievement of all United Nations Sustainable Development Goals (SDGs), in particular SDG 12 – *Sustainable consumption,* Target 12.7 – *Sustainable public procurement practices*.

This tender meets the United Nations requirements to be considered sustainable. It incorporates at least 3 sustainability considerations (one for each pillar of sustainable development – environmental, social and economic), in accordance with the HLCM Procurement Network's Sustainable Procurement Working Group – Sustainability Indicators Framework.

To learn more about which sustainable considerations are included in this tender, please see below for a specific description.

Pillar **Environment** considerations	See Technical Component Click or tap here to enter text.
Pillar **Social** considerations	See Technical Component Click or tap here to enter text.
Pillar **Economic** considerations	See Technical Component Click or tap here to enter text.

DISCLAIMER

By answering this tender, you consent to the processing of your personal data, including any future update, by the ILO for the purpose of this tender. The ILO applies a data protection policy in conformity with international standards. Should you have any requests for information, please contact pcrt@ilo.org indicating "**Personal Data Protection – 0124/IRQ/22/01/HAB**" in the subject.

Subject: Constructing Employment Services Building – Basra

Invitation to Bid (ITB) N°: 0124/IRQ/22/01/HAB

Date: Wednesday, 10 January 2024

Dear Sir/Madam,

The International Labour Office (hereinafter the "ILO") is pleased to invite your company to submit a Bid for Constructing Employment Services Building – Basra and as further described in Annex I.

To enable you to submit a Bid, please find enclosed in the list of files for this ITB:

Annex I	Introduction to the Project and Scope of Work
Annex II-A	Acknowledgment of Receipt
Annex II-B	Certification to be submitted by a Bidder in an ILO Competitive Bidding Procedure
Annex II-C	Bidder's Information Form
Annex II-D	Recent References
Annex II-E	Price Submission Form
Annex II-F	Bill of Quantities
Annex II-G	List of Personnel
Annex II-H	List of Materials
Annex II-I	General Work Plan
Annex III	ILO Construction Contract
Annex IV	Scope of Works and Specifications
Annex V	Plans and Drawings

Your Bid must be received by the ILO no later than **Thursday, 08 February 2024 COB.** Late bids shall be rejected.

You may submit a Bid to the ILO provided that your organization is qualified, able and willing to supply the goods and/or to perform the works or services specified in this ITB. Participation in this ITB indicates acceptance of the ILO Construction Contract provided in Annex III. Failure to comply with the requirements of this ITB and its Annexes may render a Bid ineligible for consideration.

You are kindly requested to acknowledge receipt of this ITB and to indicate whether or not you intend to submit a Bid by completing and returning the form provided in Annex II-A.

We look forward to receiving your Bid.

Yours sincerely,

Maha Kattaa (Jan 10, 2024 15:41 GMT+3)

Mohammed Abdulameer
Senior Project Officer
ILO Office – Basra

Maha Kattaa
ILO Country Coordinator
ILO-Iraq

ANNEX-I: INTRODUCTION TO THE PROJECT AND THE SCOPE OF WORK

ABSTRACT

Despite being the major centre for oil exports, Basra governorate has a high rate of unemployment, poverty, and a lack of basic services. In Basra, a city of more than 4 million, unemployment reached 21.8% in 2021, higher than the national average of 16.5% and the 5th highest rate in the country. Basra also has the 3rd highest NEET rate amongst young women in the country, and the 5th highest amongst young men (at 62.5% and 27.5% respectively)[1].

Furthermore, COVID-19 has negatively affected the most vulnerable people, particularly those living in informal settlements deprived of services. Many households depend on unstable incomes and minimal savings. Informal settlements are densely populated with inadequate potable water and sanitation, little or no waste collection, and limited access to formal health care facilities.

As a response, in October 2022 the ILO and UN-Habitat signed partnership agreement: "Increasing Access to Employment Opportunities for Vulnerable Urban Population in Basra City in Response to the COVID 19 Crisis", a project funded by the European Union. The ultimate objective of this project is to increase access to employment opportunities for young men and women in Basra city in three neighbourhoods (Al Kubyah, Al Ahrar and Jurf Al Melah neighbourhoods) where unemployment rate is high, vulnerable people resides, and living conditions are poor. Hence, the project envisages to achieve the stated objective through three main pillars: Employment Intensive Investment Programme (EIIP), employment services, and SIYB programme.

The project will develop the capacity of staffs at the governorate level to better internalize EIIP and Local Resource-Based technologies as well as the digital employment platforms for better utilization of these system to create more and better job opportunities in the city. Moreover, the project aspires to see unemployed young men and women equipped with the necessary knowledge and skills in the construction sector and business for them to create their own job and/or get employment opportunity in the labour market.

At local government level, the Directorate of Labour and Social Affairs (DOLSA) will be the main counterpart of the project, especially as one of the key objectives of the project is to strengthen the capacity of the Directorate to deliver employment services through the establishment of an employment centre.

Within this context, the ILO is planning to construction new Employment Services building for DOLSA in Basra. The ILO completed the design drawings and technical specifications of the new building through professional engineering office, and seeking to assign local construction company to execute the construction works according to this ITB.

[1] LFS, Forthcoming

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1. INTRODUCTION

1.1 GENERAL

The Bidder is expected to examine all corresponding instructions, forms, terms and specifications contained in the ITB documents. Failure to comply with these documents will be at the Bidder's risk and may affect the evaluation of the Bid.

1.2 ELIGIBLE BIDDERS

Bidders should not be associated or have been associated in the past, directly or indirectly, with a firm or any of its affiliates or an individual which have been engaged by the ILO to provide consulting services for the preparation of the design specifications, and other documents to be used for the procurement of goods, works or services to be purchased under this Invitation to Bid.

1.3 COST OF BID

The Bidder shall bear all costs associated with the preparation and submission of the Bid. The ILO will not be responsible or liable for those costs, regardless of the conduct or outcome of the solicitation.

1.4 ITB SCHEDULE SUMMARY

ITB release date:	**10/01/2024**
Mandatory Site Visit: 10 AM Basra Vocational Training Centre	22/01/2024
Clarification questions, if any, related to this ITB must be submitted to iraq-procurement@ilo.org by:	24/01/2024, **COB**
ILO response to clarification questions by:	28/01/2024
Bids Receipt Deadline:	**Thursday, 08 February 2024 ,** 16:00, **Iraq time zone**
Estimated Contract Signature Date:	12/03/2024
Estimated Contract Start Date:	28/03/2024

1.5 MANDATORY SITE VISIT

The mandatory pre-bid meeting and site visit are scheduled to take place on [22/01/2024] at [Basra Vocational Training Centre]. The Bidder, at the Bidder's own responsibility and risk, is encouraged to visit and examine the Site, and its surroundings where the Works are to be executed and obtain all information that may be necessary for preparing the Bid and entering into a contract for construction of the Works.

The purpose of the mandatory site visit is to familiarize potential Bidders with the requirements and to clarify any aspects of the ITB. The ILO reserves the right to decline to receive without comment any bid by a company which does not attend the mandatory site visit.

Once completed each bidder will receive a Certificate of Attendance. A copy of this Certificate must be included in the bid.

1.6 CLARIFICATION QUESTIONS

Bidders requiring any clarification on technical, commercial or legal aspects of the ITB documents may notify the ILO in writing.

The ILO's response will be provided in writing to any request for clarification received by the deadline indicated in paragraph 1.4 above.

The list of all questions received in due course and ILO's answers to them ("Q&A") will be shared with all prospective Bidders that received ITB documents by the date indicated in 1.4 above.

2 BIDDING CONDITIONS

2.1 ACKNOWLEDGMENT OF RECEIPT

Bidders are requested to inform the ILO whether they intend or not to submit an offer, by promptly returning the “Acknowledgement of Receipt” form provided in Annex II-A, even if it is not intending to submit a Bid.

2.2 SUBMISSION AND RECEIPT OF BIDS

2.2.1 Number of Copies, Format and Signing of Bid

The Bidder shall submit one electronic copy of the Bid, clearly marking each “Original Bid” as appropriate. The Bid shall be typed or written in indelible ink and shall be signed by the Bidder i.e., by a person or persons duly authorized to bind the Bidder to the contract. A Bid shall contain no interlineations, erasures, or overwriting except, as necessary, to correct errors made by the Bidder, in which case such corrections shall be initialled by the person or persons signing the bid.

2.2.2 Submission and Receipt of Bids

It is the responsibility of the Bidder to ensure that a Bid is submitted to the ILO strictly in accordance with the stipulations in the solicitation documents.

Bids **must be received on or before** *08.02.2024, 16:00 Hrs***.** Bids and modifications to Bids received after the bid receipt deadline will be rejected. Bids must include all the documents requested in these Instructions to Bidders and shall be submitted by:

By email at **Iraq-procurement@ilo.org**, in PDF format, stamped, signed, and the size of electronic files should not exceed 200 megabytes (MB).

Proposals submitted by any other means will be rejected. Proposals must be submitted in one email, and should contain the “A- Technical Proposal” (Annex II-A-B, C, D, F, G,H &I)" and the "B- Financial offer (Annex II-E)” with its documents".

Where there is any infringement of these instructions (e.g., references to prices are included in the technical offer) the Proposal will be rejected

Bids submitted by any other means will be rejected.

The email should bear the following information:

a) the reference to the ITB to which the Bidder is responding;
b) the name and address of the Bidder to enable the BIDS to be returned unopened if it is declared to have been received “late”.

2.3 OFFICIAL LANGUAGE

The Bid and all correspondence and documents related to the Bid shall be written in the English language.

2.4 CORRESPONDENCE

Any communication in connection with this ITB should be addressed in writing to the e-mail address mentioned in paragraph 1.4 above. All correspondence should quote the reference number of the ITB. Bidders are requested **not** to contact the ILO after the closing time, i.e. during the ITB assessment period.

2.5 NO CONSULTATION

A Bidder shall not:

- consult, communicate or agree with any other Bidder or competitor, with regard to price or any other matter related to the ITB, for the purpose of restricting competition;
- disclose its price, directly or indirectly, to any other Bidder or competitor, except in the case of provision of standard public price lists;
- make any attempt to induce any other person or organization to submit or not to submit a Proposal for the purpose of restricting competition.

If a Bidder is found to be in breach of any of these instructions, the ILO reserves the right to exclude the Bidder from the procedure and reject its offer.

Nothing in this paragraph shall restrict the right of a Bidder to form a joint venture, a consortium or an association for the purpose of submitting a Bid.

2.6 CONTRACT CONDITIONS

Bidders are expected to examine carefully and comply with all instructions, forms, contract provisions and specifications contained in these ITB documents.

By submitting a Bid, the Bidder accepts in full and without restriction these instructions. It also accepts the terms of the ILO Construction Contract (Annex III) being relied on for this bidding procedure and resulting contract, irrespective of the provisions of the Bidder's own conditions of sale, which it hereby waives.

The ILO reserves the right to decline to consider without further comment any Bid which does not accept the terms of the ILO Construction Contract set out in Annex III.

2.7 WORK ON ILO PREMISES

If the Bidder's personnel are required to work on ILO premises, they shall comply with the security and safety and health arrangements established by the ILO, including applicable provisions of local legislation. Where applicable, the Bidder shall be responsible for obtaining valid entry visas and work permits for its employees or sub-contractors and contract

commencement may be subjected to complying with these obligations. Failure to comply with such obligations may lead to suspension of payments under and cancellation of the contract.

2.8 BID CURRENCY

All prices shall be quoted in Iraqi Dinars (IQD). If the Bid is submitted in a currency other than the Bid Currency, to facilitate evaluation and comparison, the ILO will convert all such prices in Iraqi Dinars (IQD) at the official UN exchange rate applying on the last day for submission of Bids.

2.9 INCOMPLETE BIDS

ILO may reject a Bid that does not provide all the information requested which is necessary for assessment of the Bid by the ILO.

2.10 CHANGES TO BIDS

Changes or amendments to Bids will only be accepted if they are received before the deadline for receipt of Bids and shall be submitted in accordance with the instructions given above. The envelope shall be clearly marked “Change(s) to Bid’’.

2.11 MATERIAL CHANGE(S) IN CIRCUMSTANCES

The Bidder shall inform the ILO of any change(s) of circumstances arising during the ITB process, including but not limited to:

- a change affecting any declaration, accreditation, license or approval;
- major re-organizational changes, company re-structuring, a take-over, buy-out or similar event(s) affecting the operation and/or financing of the Bidder or its major sub-contractors;
- a change to any information on which the ILO may rely in assessing Bids.

2.12 ITB DOCUMENT, SPECIFICATIONS, DRAWINGS

The ITB documents and any specifications, plans, drawings, patterns, samples or information issued or furnished by the ILO are issued solely for the purpose of enabling a Bid to be completed and may not be used for any other purpose. The ITB documents and any additional information provided to Bidders shall remain the property of the ILO.

2.13 SUB-CONTRACTING

[If applicable] Sub-contracting of work to be undertaken as a result of this ITB is permitted. The ILO reserves the right to approve any subcontractor that was not included in the ITB Submission Form and request a copy of the sub-contracting agreement between the Bidder and its subcontractor(s).

2.14 BID VALIDITY

The validity of a Bid shall be four (4) months commencing from the time and date of the closure of Bids stated in 2.2 Submission and Receipt of Bids. The ILO reserves the right to request an extension of the period of validity of Bids, and to modify or exclude any of the terms of this ITB, at its sole discretion.

2.15 NOTIFICATION OF CONTRACT AWARD

The ILO will evaluate the Bids based on the Bidders' responses to the requirements set out in the ITB documents. Each Bidder will be informed of the decision reached concerning the award of the contract.

2.16 PUBLICITY

During the ITB process, a Bidder is not permitted to create any publicity in connection with the ITB.

3 CONTENT OF BID

Each Bid shall comprise the following documents:

3.1 CERTIFICATION TO BE SUBMITTED BY A BIDDER IN AN ILO COMPETITIVE BIDDING PROCEDURE (ANNEX II-B)

The ILO expects all participants in its procurement process to adhere to the very highest standards of moral and ethical conduct and transparency, to prevent any conflict of interest and not to engage in any form of coercive, collusive, corrupt, or fraudulent practices.

3.2 BIDDER'S INFORMATION FORM (ANNEX II-C)

The Bidder's Information Form explicitly indicates that the Bidder accepts in full and without restriction the Terms and Conditions applicable to ILO Contracts.

Each Bidder shall attach to this Annex the following mandatory documents:

a) Certificate(s) confirming that obligations relating to the payment of social security contributions and/or the payment of taxes in accordance with the legal provisions of the country in which the Bidder is established have been fulfilled;

b) The proof of declaration and payment of taxes, fees and social security contributions by the Bidder should indicate the situation at the end of the previous fiscal year, bearing the statement "certified true copy", the date and the signature of a person authorized to represent the company;

c) A copy of the last three financial statements of the Bidder, certified by independent auditors.

3.3 RECENT REFERENCES (ANNEX II-D)

Bidders must provide details of three contracts entered into during the past five years which are similar in nature to that arising from this ITB. The information in Annex II-D must include, as a minimum:

- Client name, location, and date of project;
- Description of goods provided and works or services performed;
- Contract value;
- Contact details for references.

3.4 PRICE SUBMISSION FORM (ANNEX II-E)

Bidders shall complete this form, providing the price breakdown information sought and attach all required documents.

The Bids shall be checked for any arithmetic errors in computation and summation. Any arithmetical errors will be corrected without prejudice to the Bidder as follows:

- Where there is a discrepancy between the unit rate and the total amount derived from the multiplication of the unit rate by the corresponding quantity, the unit rate shall

prevail and the total amount shall be corrected. If, in the opinion of the ILO, there is an obvious error in the unit rate, the total amount as quoted shall prevail and the unit rate shall be corrected.

- If there is a discrepancy between words and figures in Annex II-E the amount in words will prevail.

Amounts corrected in the manner mentioned above shall be binding on the Bidder. If the Bidder does not accept the corrections, its Bid shall be rejected.

4 EVALUATION OF BIDS AND CONTRACT AWARD

4.1 PRELIMINARY EVALUATION

Prior to the detailed evaluation of each Bid, the ILO will undertake a preliminary examination. Bids will not be considered for further evaluation in cases where:

- They are incomplete (i.e. do not include all required documents as specified in *Annex II: Forms to be completed and to be submitted by the* bidder;
- The Original Offer is not signed by the duly authorized individual of the organization/company;
- The validity period of the Bid is not in accordance with the requirements of the ITB as specified in 2.14 Bid Validity.

4.2 EVALUATION OF BIDS

Bids will be reviewed and evaluated by an Evaluation Panel to determine if the Bid is substantially responsive to the requirements of the Bidding Documents.

A substantially responsive Bid is one which conforms to all the terms, conditions, and specifications of the Bidding Documents, without material deviation or reservation. A material deviation or reservation is one:

a) which affects in any substantial way the scope, quality, or performance of the Works;
b) which limits in any substantial way, inconsistent with the Bidding documents, the ILO's rights or the Bidder's obligations under the Contract; or
c) whose rectification would affect unfairly the competitive position of other Bidders presenting substantially responsive Bids.

If a Bid is not substantially responsive, it will be rejected by the ILO, and may not subsequently be made responsive by correction or withdrawal of the nonconforming deviation or reservation.

Corrections of Errors

Bids determined to be substantially responsive will be checked by the ILO for any arithmetic errors. Errors will be corrected by the ILO as follows:

i. Where there is a discrepancy between the amounts in figures and in words, the amount in words will govern; and

ii. If a Bill of Quantities is used and there is a discrepancy between the unit rate and the line item total resulting from multiplying the unit rate by the quantity, the unit rate as quoted will govern, unless in the opinion of the ILO there is an obviously gross misplacement of the decimal point in the unit rate, in which case the line item total as quoted will govern, and the unit rate will be corrected.
iii. If there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the totals shall be corrected.

The amount stated in the Bid will be adjusted by the ILO in accordance with the above procedure for the correction of errors and, with the concurrence of the Bidder, shall be considered as binding upon the Bidder. If the Bidder does not accept the corrected amount, its Bid will be rejected.

If a bid total is substantially above or below (+/- [15]%) the Engineer's estimate then that Bid will be deemed unresponsive.

To assist in the examination, evaluation, and comparison of Bids, the ILO may, at the ILO's discretion, ask any Bidder for clarification of the Bidder's Bid, including breakdowns of prices. The request for clarification and the response shall be in writing but no change in the price or substance of the Bid shall be sought, offered, or permitted except as required to confirm the correction of arithmetic errors discovered by the ILO in the evaluation of the Bids.

4.3 AWARD OF THE CONTRACT

The ILO will award the contract to the lowest priced, technically qualified Bidder for each lot.

The ILO reserves the right to accept or reject any Bid in whole or in part, to annul the solicitation process and reject all Bids at any time prior to the issue of the purchase order, without thereby incurring any liability to the affected Bidder(s) or any obligation to provide information on the grounds for the ILO's decision(s).

Awarding of the contract arising from this ITB will be made at the absolute discretion of the ILO. The ILO's decision to award the contract to a preferred Bidder shall not be questioned by any other Bidder.

The Contract or the benefit of the Contract shall not be assigned, subcontracted or otherwise transferred by the successful Bidder in whole or in part, without ILO's prior written consent, to be given at its sole discretion.

4.4 DEBRIEFING / PROTEST MECHANISM

The ILO is committed to ensure that all its bidding processes are conducted in a fair and transparent manner. A Bidder who participated in a formal ILO solicitation process and believes that he/she has been treated unjustly or unfairly, or who would simply like to receive clarifications on his/her unsuccessful proposal ("debriefing"), must submit a request by email to [insert generic email address] , within ten (10) business days after receiving the ILO notification of regret. PROCUREMENT will contact the Bidder upon receipt of his/her request and will invite him/her to a debriefing session.

4.4.1 Debriefing process

The purpose of the debriefing is to discuss the strengths and weaknesses of his/her proposal.

If the Bidder believes he/she has been treated unjustly or unfairly this debriefing will hopefully shade lights on the rational of the ILO decision. The ILO will not disclose any technical or financial information related to offers received by other Bidders who participated to the solicitation, nor the evaluation scores or other details from the tender process.

Debriefing will normally be conducted via teleconference by the Procurement Officer in charge of the relevant solicitation at an agreed time with the Bidder.

Should the Bidder not be satisfied with the clarifications provided during the debriefing, he/she may file a protest to the Chief, PROCUREMENT in the way described below.

4.4.2 Bid Protest

A Bidder who is not satisfied with the debriefing outcome, may lodge a protest to the ILO Chief, PROCUREMENT, by sending an email to bidprotest@ilo.org

The protest must be sent within ten (10) business days after the debriefing has taken place. The ILO will acknowledge receipt of the protest.

In the protest, the Bidder must provide the following information:

1) Their name, address, telephone number, fax number and email;
2) The solicitation number and title, the contracting office and the name of the officer who has been leading the tender process;
3) The date of debriefing; and
4) The reasons for the protest together with copy of any documentation in support of the allegations.

The Chief, PROCUREMENT will perform a receivability review of the protest to determine if it was timely and correctly submitted and complies with the requirements set out above. The Bidder will be notified whether the protest is receivable in writing within ten (10) business days after receipt of the protest. A decision rejecting the receivability of the protest is final and not subject to further appeal or recourse.

If the protest is deemed receivable, the ILO will conduct an inquiry to determine its merits. The Bidder will be notified of the ILO decision as soon as it is available. The decision on the merits of the protest is final and not subject to further appeal or recourse.

4.4.3 Allegations of Misconduct or Fraud

Allegations of misconduct or fraud must be addressed by the Bidder to the ILO Treasurer and Financial Comptroller TR/CF (email: TRCF@ilo.org) and to the ILO Chief, Internal Auditor Office (email: IAO@ilo.org). The allegations will be investigated in accordance with ILO's investigating procedures.

5 ANNEXES

ANNEX II: FORMS TO BE COMPLETED AND TO BE SUBMITTED BY THE BIDDER

ANNEX II-A: Acknowledgement of Receipt

ANNEX II-B: Certification to be submitted by a Bidder in an ILO Competitive Bidding Process

ANNEX II-C: Bidder's Information Form

ANNEX II-D: Recent References

ANNEX II-E: Price Submission Form

ANNEX II-F: Bill of Quantities

ANNEX II-G: List of Personnel

ANNEX II-H: List of Materials

ANNEX II-I: General and Detailed Work Plan

ANNEX III: ILO CONSTRUCTION CONTRACT

TEMPLATE

International Labour Office

[CONTRACTOR'S NAME AND ADDRESS]

TEMPLATE

CONTRACT FOR CONSTRUCTION SERVICES
[PO NUMBER]

between

THE INTERNATIONAL LABOUR ORGANIZATION

represented by

THE INTERNATIONAL LABOUR OFFICE

and

[COMPANY NAME]

Time for Completion of the Works	:	**75 days**
Currency and Total Value of the Contract	:	**[CURRENCY AND TOTAL VALUE]**
ILO Programme/Project Name	:	**IRQ/22/01/HAB Basra Iraq**

TEMPLATE

Colour code:

Yellow = to be completed

Red = options and advice to prepare the Contract

TEMPLATE

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 Regional Office for the Arab States (hereinafter "ILO"), located at Aresco Centre Justinien Str, Beirut, Lebanon 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 Iraq on9 July 1954, and relevant national and international law, including Decent Work Country Programme of Iraq.

2. The Parties recognize that the Contract is part of the Increasing Access to Employment Opportunities for Vulnerable Urban Population in Basra City in Response to the COVID 19 Crisis project in Iraq (IRQ/22/01/HAB) financed by the UN-Habitat. The Directorate of Labour and Social Affairs in Basra (hereinafter "Ministry") is the main partner of the ILO at the local level. It owns the land [Vocation Training Centre] targeted by the Project and is the beneficiary of the Works that will be performed under the present Contract. However, the Ministry will not have a formal role considering budget-ownership. The responsibilities, prerogatives, rights and obligations in the management of the Works and other services required for the execution of the Project will remain with the ILO.

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 14.11 of the General Conditions for Construction Services ("General Conditions") 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.

TEMPLATE

ARTICLES:

ARTICLE 1 CONTRACTUAL DOCUMENTS

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

- This Contract document
- Exhibit A: General Conditions for Construction Services
- Exhibit B: Bidding Documents including the Terms of Reference, Site Management Instructions and the ILO Safety Instructions
- Exhibit C: List of Drawings, Blueprints and Project Documents
- Exhibit D: Offer of the Contractor
- Exhibit E: Workplan
- Exhibit F: Form of Contractor's Monthly Statement (monthly measurement of Services)
- Exhibit G: Advance Payment Guarantee, Performance Guarantee and/or Warranty Guarantee templates

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.

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 or the Project Manager, if the project management has been partially or fully delegated by the ILO to another entity in accordance with Article 7. The ILO shall provide the Site and right of access thereto at the date of commencement of the Works.

The Time for Completion shall be seventy-five (75) days measured from the date of commencement, subject to adjustment by Modification, as described in the Contract. The Contract will expire upon fulfilment by the Parties of their respective obligations or otherwise in accordance with its provisions.

ARTICLE 4 PRICE

The ILO shall pay the Contractor the total Contract Price based on unit prices based on bill of quantities for Contractor's performance of the Contract. The total Contract Price shall be [amount IQD], subject to adjustment by Modification as described in the Contract. The total Contract Price covers 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.

TEMPLATE

ARTICLE 5 PAYMENTS

Advance Payment: An Advance Payment of [amount and currency] shall be made to the Contractor for all purchases itemized in Exhibit G to the Contract (List of Equipment and Components for Advanced Payment) upon signature of the Contract by both parties and the Contractor's delivery of the Advance Payment Security to the ILO in accordance with Paragraph 3.24 of the General Conditions.

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

Maha Kattaa
International Labour Office
ILO Office in Iraq

TEMPLATE

UN Compound, Green Zone-Baghdad, Iraq

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 IQD.

Final Payment: A Final Payment based on bill of quantities and the final Monthly Statement submitted by the Contractor shall be made by the ILO within thirty (30) days after issuance of the Certificate of Final Acceptance of the Work by the ILO, as stated in Paragraphs 10.9 and 3.25.1 of the General Conditions, and receipt by the ILO of the original Warrantee Security.

ARTICLE 6 WARRANTY PERIOD APPLICABLE TO THE WORKS

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 twelve (12) months. During this Period, the Contractor shall be liable for the soundness and safety of the Works, the materials and the ground conditions.

ARTICLE 7 PROJECT MANAGEMENT

The project management will be carried out by the ILO in Basra City, Iraq. The Project Manager will be Bashar Elsamarneh, EIIP Technical Officer. Any change of the Project Manager will be communicated by the ILO in writing to the Contractor.

Pursuant to Paragraph 4 of the General Conditions, 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 Work Variations (Paragraph 7.2 of the General Conditions), Changes in the Works (Paragraph 7.3 of the General Conditions), Monthly Statements submitted by the Contractor (Paragraph 10.3.1 of the General Conditions) 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 Gashaw Shareef, shareef@ilo.org of the ILO Office for Iraq.

The ILO's Project Coordinator responsible for the technical and contractual administration of this Contract shall be Mohammed Abdulameer, abdulameer@ilo.org.

Delegation to another ILO Official shall be communicated to the Contractor in writing, in accordance with Paragraph 14.3.2 of the General Conditions.

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 Iraq, 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 remain part of the improvements or otherwise utilized exclusively in the Works ("Tax Exempt Items"). The Contractor shall comply with Paragraph 3.6 of the General Conditions with respect to 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.

ARTICLE 11 BANK SECURITIES

Advance Payment Security

The amount of the Advance Payment Security required under Paragraph 3.24 of the General Conditions shall be 100% of the payment made in advance to the Contractor, which is [amount and currency]. Its validity shall be until the issuance of the Certificate of Final Acceptance of the Works by the ILO, unless the amount of the Advance Payment is deducted from interim payment(s), if agreed by the parties.

The Contractor shall deliver the Advance Payment Security to the ILO within seven (7) days after Contract signature and shall submit the original to the ILO.

Performance Security

The amount of the Performance Security required under Paragraph 3.25 of the General Conditions shall be ten (10) % of the total Contract Price.

The Contractor shall deliver the Performance Security to the ILO within seven (7) days after Contract signature and shall submit the original to the ILO.

The validity of the Performance Security is stipulated in Paragraph 3.25 of the General Conditions.

Warranty Security

The amount of the Warranty Security required under Paragraph 3.26 of the General Conditions shall be five (5) % of the total Contract Price. The Warranty Security shall be established in the name of the Ministry of Culture and Youth / Directorate of Youth/ Duhok, who owns the property.

The Contractor shall deliver the Warranty Security to the ILO within seven (7) days of ILO's issuance of the Certificate of Final Acceptance of the Works and shall submit the original to the ILO, which will hand it over to the Ministry, who owns the property.

The Contractor shall ensure that the Warranty Security is valid and enforceable from the date of issuance of the Certificate of Final Acceptance of the Works and continues for 12 months.

ARTICLE 12 DELAY DAMAGES

If Provisional Acceptance of the Works is not certified within the Time for Completion as described in Paragraph 10.8 of the General Conditions, the Contractor shall pay to the ILO delay damages in the amount of 0.3% of the total Contract Price per day, beginning on the first day after expiration of the Time for Completion continuing through the date of Provisional Acceptance as established in the Certificate of Provisional Acceptance of the Works.

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:

a) Maha Kattaa, kattaa@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:
b) Peter Rademaker, rademaker@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 Paragraph 4.4 of the General Conditions, 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. A demand for arbitration by the Contractor shall not be valid unless the Contractor has satisfied its obligations under Paragraphs 4.3 and 4.4 of the General Conditions. The Contractor shall include, in its Notice of demand for arbitration, a certification that it has fulfilled all of its obligations under Paragraphs 4.3 and 4.4. During arbitration proceedings, the ILO and the Contractor shall comply with Paragraph 4.3.4 of the General Conditions. In addition:

a) the place of arbitration will be Beirut, Lebanon;
b) the decisions of the arbitral tribunal will be based on general principles of international commercial law and the Iraq substantive requirements on matters related to environment, labour, safety and health, and construction as binding on the Contractor;
c) the arbitral tribunal will have no authority to award punitive damages;
d) 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
e) the arbitration proceedings shall be conducted in English.

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:

Maha Kattaa
International Labour Office
ILO Office in Iraq
UN Compound, Green Zone-Baghdad, Iraq

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 [name of the contact person in the company], 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 the contact person in the company]

ARTICLE 17 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 18 SUBCONTRACTORS

The Contractor is authorised to subcontract part of the Works, with the prior approval of the ILO. The authorization and approval by the ILO of a subcontractor does not relieve the Contractor of any of its obligations under the Contract and the Contractor is solely responsible for the Works provided by a subcontractor in the framework of the Contract, including their quality. The Contractor, to the same extent as for its own personnel, will be liable for a subcontractor who is performing any part of the Contractor's obligations under the Contract. The terms of any subcontract will be subject to and be in conformity with the provisions of the Contract. The Contractor shall ensure that its subcontractor(s) do not subcontract, assign, transfer, pledge or make any other disposition of the Contract, of any part of the Contract, or of any of the rights, claims or obligations under the Contract, unless the Contractor has received the prior written authorization from the ILO.

ARTICLE 19 LABOUR STANDARDS

In addition to the principles concerning international labour standards of the International Labour Organization listed in Paragraph 14.12 of the General Conditions, the Contractor undertakes to respect, at all times and in all circumstances relevant to the performance of the Contract and in relation to all its Personnel, agents and employees, the following labour standards:

Employment Conditions: The Contractor will comply with applicable legislation of Iraq relating to terms of employment and conditions of work, including Occupational Health and Safety, any collective agreements to which it is party, and any other related measure with which it must comply.

Recruitment of Labour: All general workers employed by the Contractor or Subcontractor must be recruited from amongst the local population of the Site area, and both male and female workers have equal opportunity to participate in the Works. The unskilled work force should comprise at least 60% from Host community members and refugees. All workers must be registered on the form specifically provided for this purpose capturing all the required information. The Contractor will notify the ILO at least one (1) week ahead of any major recruitment. The notification will state venue, date, and time when the enrolment will take place.

Task and Piecework Systems: The Contractor will observe and fulfil particularly the following conditions with respect to all persons employed in the execution of the Contract under a task or piecework system:

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

Reporting Requirements: During the execution of the Contract, the Contractor will register all workers and provide the ILO with these records before any payment is due. The Contractor will further maintain detailed muster rolls showing attendance and wages paid to all personnel employed and will produce at any time such records for inspection by any person authorised by the ILO. The Contractor will further keep daily records of all information and data related to 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 during the Works will be made available to the ILO not later than the first week of the following month, together with the Monthly Statement submission.

Non-payment of Wages by the Contractor: Any dispute between the Contractor and the 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.

Provision of Hand Tools: The Contractor will provide its workers with hand tools of adequate quality, appropriate for each activity, sufficient in numbers and will maintain the tools in good and safe working conditions.

Safety and Health: The Contractor will be responsible for the safety of all activities on the Site. The Contractor will provide all personnel on the Site with adequate safety protection equipment and clothing as appropriate to the work being performed, as well as instruction on Occupational Health and Safety as part of the induction process for new workers. The ILO may organise campaigns for enhancing safety awareness among the workforce on the Site and regarding general health issues. The Contractor will allow its staff to attend to these campaign events during normal working hours and without deduction of pay.

ARTICLE 20 HANDOVER OF THE WORKS

The equipment installed, as well as the Works and services performed under the Contract will be handed over by the ILO to the Ministry once the Certificate of Final Acceptance has been established. The Ministry will accept and take charge of the performed Works as they are on the date of signing of the Certificate of Final Acceptance and 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 Ministry 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.

As indicated in Article 6 of the Contract, the Warranty Period shall commence on the date of Final Acceptance of all the Works as established in the Certificate of Final Acceptance and shall continue for a period of twelve (12) months. All the issues that may result from or happen or arise in relation to the Works during that Warranty Period and onwards shall be dealt with between the Contractor and the Ministry.

ARTICLE 21 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 C TO CONSTRUCTION CONTRACT

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General Conditions for ILO Construction Contracts

1. DEFINITIONS

1.1. Basic Definitions

1.1.1. The Contract

The Contract between the International Labour Organization (ILO) and the Contractor, and any Addenda and Exhibits thereto including these General Conditions for ILO Construction Contracts ("General Conditions"), and any Modifications issued after entering into the Contract constitute the complete and exclusive agreement between the parties. A Modification is: (a) a written amendment to the Contract signed by the ILO and the Contractor; (b) a Variance; or, (c) a Construction Change Directive. The Contract includes other documents as may be specifically incorporated by reference in the Contract document or attached thereto as an Addendum or Exhibit.

The Contract shall not be construed to create a contractual relationship of any kind: (a) between the Project Manager and the Contractor; (b) between the ILO and a subcontractor; or, (c) between any persons or entities other than the ILO and the Contractor. Nothing contained or related to the Contract shall be construed to create a legal partnership, a joint venture, employment or agency relationship between the ILO and the Contractor. Moreover the officials, representatives, employees, or subcontractors of either the ILO or the Contractor will not be considered in any respect as being the employees or agents of the other. The Project Manager shall, however, be entitled to performance and enforcement of obligations under the Contract intended to facilitate performance of the Project Manager's duties. The provisions of this Paragraph **Error! Reference source not found.** shall not be i nterpreted to bar, limit or waive any right the ILO may have to recover from a subcontractor any damage, including pecuniary loss to the ILO, or failure to properly perform any part of the Works by such subcontractor.

1.1.2. The Works

The term "Works" means the whole of the activities, services, materials, equipment, matters and things required to be done, delivered or performed by the Contractor in accordance with the terms of the Contract, whether completed or partially completed, and includes all labour, materials, equipment and services provided or to be provided by the Contractor to fulfill the its obligations. The Works may constitute the whole or a part of the Project.

1.1.3. The Project

The Project is the total construction or renovation of which the Works performed under the Contract may be the whole, or a part and which may include construction or renovation by the ILO or by separate contractors.

1.1.4. The Drawings

The Drawings are the graphic and pictorial portions of the Contractual Documents, wherever located, whatever media and whenever issued, showing the design, location and dimensions of the Works, generally including plans, elevations, sections, details, schedules and diagrams.

1.1.5. The Specifications

The Specifications are the portion of the Contractual Documents consisting of the written requirements for materials, equipment, construction systems, standards and workmanship for the Works, and performance of related services.

1.1.6. Proscribed Practices

"Proscribed Practice": The Contractor and its personnel certifies that they have not and will not engage in proscribed practices during the procurement process and the performance of the Contract. In the event that the Contractor or its personnel is found to have engaged in Proscribed Practices, the ILO reserves the right, without prejudice to any other rights or remedies, to require full or partial restitution of sums previously paid by the ILO under the Contract and impose sanctions as per the ILO applicable procedures. The Contractor shall immediately notify the ILO upon becoming aware of any Proscribed Practices, or suspicion thereof, surrounding the procurement process or the performance of the Contract. The ILO may also share information regarding these sanctions with other Intergovernmental or UN organizations. In order to ensure the respect of these obligations, the ILO provides the following definitions of conduct or behaviour that constitute Proscribed Practices:

a) "Fraud" or "fraudulent practice": any act or omission whereby an individual or entity knowingly misrepresents or conceals a fact (a) in order to obtain an undue benefit or advantage or avoid an obligation for himself, herself, itself, or a third party, and/or (b) in such a way as to cause an individual or entity to act, or fail to act, to his, her or its detriment;
b) "Presumptive fraud": any allegations of fraud that have been deemed to warrant an investigation and, if substantiated, would establish the existence of fraud resulting in loss of resources to the Organization;
c) "Corrupt practice": the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party;
d) "Coercive practice": an act or omission that impairs or harms, or threatens to impair or harm, directly or indirectly, any party or the property of the party to improperly influence the actions of a party;
e) "Collusive practice": an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party;
f) "Unethical practice": any conduct or behaviour that is actual, potential, or perceivable as a conflict of interest. This may include the receipt of gifts and hospitality, violation of post-employment provisions, or non-compliance with other published requirements of doing business with the ILO ;
g) "Obstructive practice": the deliberate destruction, falsification, alteration or concealing of evidence material to an investigation or making false statements to investigators in order to materially impede an investigation into allegations of a fraudulent, corrupt, collusive or coercive practice; and/or threatening, harassing, or intimidating another to prevent them from disclosing their knowledge of matters relevant to an investigation or from pursuing an investigation; or an act intended to materially impede the exercise of the ILO's inspection and audit rights.

The Contractor shall keep and maintain accurate accounts and records with respect to all costs incurred and moneys expended in connection with the Works, in accordance with internationally accepted accounting principles, and in such form and detail as will clearly identify all relevant charges, costs and expenditures and the bases thereof. The Contractor shall preserve all accounts and records relating to the Works for a period of ten (10) years after final payment under this Contract and provide complete access to all such accounts and records to any authorized ILO official, or delegate person or entity investigating an alleged Proscribed Practice.

1.1.7. Law

"Law" means any labour or collective bargaining agreements applicable to, and any law, code, statute, rule, ordinance, regulation, interpretation or order of any governmental entity or public authority having jurisdiction over, the Contract, the Works, the Contractor or a subcontractor.

1.2. Execution and Intent

1.2.1. Execution of the Contract by the Contractor is a representation that the Contractor has visited the site or the premises, become familiar with local conditions under which the Works are to be performed and correlated personal observations with the requirements of the Contract.

1.2.2. The intent of the Contract is to include all items necessary for the proper execution and completion of the Works by the Contractor. The Contractual Documents are complementary and what is required by one shall be as binding as if required by all; performance by the Contractor shall be

required to the extent consistent with the Contract and reasonably inferable from them as being necessary to produce the intended results.

1.2.3. Organization of the Specifications into divisions, sections and articles, and arrangement of Drawings shall not control the Contractor in dividing the Works among subcontractors or in establishing the extent of Works to be performed by any trade.

1.2.4. Unless otherwise stated in the Contract, words which have well-known technical or construction industry meaning are used in the Contract in accordance with such recognized meanings.

1.3. Ownership and Use of Drawings, Specifications and Other Documents

The Drawings, Specifications and other design documents are instruments of service, which are sole and exclusive property of the ILO to which the ILO retains all ownership, statutory and other Intellectual Property rights, including copyright. Neither the Contractor nor any subcontractor or material or equipment supplier shall own or claim Intellectual Property rights in the Drawings, Specifications and other design documents. All copies shall be returned to the ILO, on request, upon completion of the Works. The Drawings, Specifications and other design documents and copies thereof furnished to the Contractor, are for use solely with respect to this Project. They are not to be used, in original or derivative form, by the Contractor or any subcontractor on other projects or for additions to this Project outside the scope of the Works without the specific written consent of the ILO. The Contractor and subcontractors are granted a limited license to use and reproduce applicable portions of the Drawings, Specifications and other design documents appropriate to and for use in the execution of their Works under the Contract. All copies made under this license shall bear the statutory copyright notice, if any, shown on the Drawings, Specifications and other design documents. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with this Project is not to be construed as publication in derogation of the ILO's copyright or other reserved Intellectual Property rights.

1.4. Capitalization

Terms capitalized in these General Conditions include (a) those which are specifically defined, (b) the titles of numbered Paragraphs in the General Conditions and to Articles in the Contract, or (c) the titles of other documents.

1.5. Interpretation

In the interest of brevity, the Contract frequently omits modifying words such as "all" and "any" and articles such as "the" and "an", but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement. “Include” or “including” shall be construed to mean “including, but not limited to.” Words indicating the singular also include the plural and words indicating the plural also include the singular.

2. THE ILO

2.1. Definition

2.1.1. The ILO is the person or entity identified as such in the Contract and is referred to throughout the Contract as if singular in number. The term "ILO" means the ILO or the ILO's authorized representative. The ILO has full juridical personality, including the ability to contract and enjoys such privileges and immunities as are necessary for the independent fulfilment of its purposes pursuant to the Constitution of the ILO. Nothing in or related to the Contract will be deemed a waiver of any of the privileges and immunities of the ILO recognized in the Convention on the Privileges

and Immunities of the Specialized Agencies (1947) and Annex I relating to the ILO, and relevant national and international law.

2.1.2. The Project Manager is identified in the Contract and is a private, independent third party contracted by the ILO to assist the ILO in the administration and supervision of the Contract and the performance of Works thereunder. Nevertheless, the Contractor shall remain accountable to the ILO. The Project Manager has the power to represent the ILO vis-à-vis discussions with the relevant public authorities of the country, municipality of the city or area, as well as other third parties and give the Contractor instructions on the basis of the requirements of the ILO. The Project Manager: (a) will not be responsible for and will not have control or charge of construction means, methods, or techniques; (b) will not be responsible for or have control over the acts or omissions of the Contractor, subcontractors or any other persons performing any of the Works; and, (c) will not be responsible for the Contractor's or a subcontractor's failure to carry out the Works in accordance with the Contract.

2.2. Information and Services Required of the Project Manager

2.2.1. At the request of the Contractor, the Project Manager shall furnish to the Contractor any information, which is in the Project Manager or the ILO's possession regarding the site of the Works and existing conditions at the site, which is relevant to the execution of the Works, such as utility locations, legal descriptions and limitations, as-built drawings and the like.

2.2.2. Information, services or materials under the ILO's control shall be furnished by the Project Manager with reasonable promptness to avoid delay in orderly progress of the Works.

2.2.3. Unless otherwise provided in the Contract, the Contractor will be furnished, free of charge, such copies of Drawings and Specifications as are necessary for execution of the Works.

2.2.4. Whenever the ILO or the Project Manager is permitted or required to determine any matter, the ILO or the Project Manager shall consult with the Contractor in an effort to reach an agreement. If an agreement is not achieved, the ILO shall make a fair determination in accordance with the Contract, taking due regard of all relevant circumstances. The ILO's determination shall be binding and shall be observed by all parties unless and until vacated or reversed by determination of an arbitrator, in accordance with Paragraph 4.5.

2.3. Right to Stop the Works

If the Contractor fails to correct any part of the Works not in accordance with the requirements of the Contract as required by Paragraph 13.2 or fails to carry out the Works in accordance with the Contract, the ILO, by written order signed personally or by the Project Manager or another agent specifically empowered by the ILO, may order the Contractor to stop the Works, or any portion thereof, until the cause for such order has been eliminated. However, the right to stop the Works shall not give rise to a duty on the part of the ILO to exercise this right for the benefit of the Contractor, a subcontractor or any other person or entity.

The Contractor is hereby notified that at any time, with 24 hours' notice, the ILO or the Project Manager may stop the Works and prohibit access to the site to the Contractor, a subcontractor or any other person or entity in the case of an important event, such as a visit to the ILO office of any important person for which special security measure are to be put in place. In general, such Works interruption may not last longer than one day. In no case will the payment of compensation or indemnities be accepted for the consequences of the interruption of the Works.

2.4. ILO's Right to Carry out the Works

If the Contractor defaults or neglects to carry out any part of the Works in accordance with the Contract and fails within a 3 day period after receipt of written communication from the ILO or the Project Manager to commence and continue correction of such default or neglect with diligence and promptness, the ILO may after such 3 day period give the Contractor a second written communication to correct such deficiencies within a twenty-four (24) hour period. If the Contractor within such twenty-four (24) hour period after receipt of such second communication fails to commence and continue to correct any deficiencies, the ILO may, without prejudice to other remedies, assign the Works to another Party to correct such deficiencies. In such a case an appropriate Construction Change Directive shall be issued deducting from payments then or thereafter due to the Contractor the cost and expense of correcting such deficiencies, including compensation for the Project Manager's or any consultant's additional services and expenses made necessary by such default, neglect or failure. If payments then or thereafter due to the Contractor are not sufficient to cover such amounts, the Contractor shall pay the difference to the ILO.

2.5. 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.

3. THE CONTRACTOR

3.1. Definition

The Contractor is the person or entity identified as such in the Contract, and is referred to throughout the Contract as if singular in number. The term "Contractor" means the Contractor or the Contractor's authorized representative.

3.2. Review of Contractual Documents and Field Conditions by the Contractor

3.2.1. The Contractor represents and warrants that it has taken field measurements and has verified all field conditions, which may affect the Works. The Contractor has carefully studied and compared the Contractual Documents with each other and with its own field measurements and field condition reports and with the other information furnished by the ILO and the Project Manager pursuant to Paragraph 2.2. The Contractor has communicated to the Project Manager in writing any errors, discrepancies, inconsistencies or omissions, which exist in the Contractual Documents as of the date of the Contract. Should the Contractor become aware of any errors, discrepancies inconsistencies or omissions in the Contractual Documents after the date of the Contract, the

Contractor shall promptly communicate same to the ILO or the Project Manager in writing before proceeding with any Works affected thereby. Upon receipt of such communication, the ILO or the Project Manager 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 involves a recognized error, inconsistency or omission in the Contractual Documents without prior written communication to the ILO or the Project Manager, the Contractor shall assume full responsibility for such performance and shall bear the costs for correction and for any other damages to the ILO.

3.2.2. The Contractor shall perform the Works in accordance with the Contract and submittals approved pursuant to Paragraph 3.12.

3.3. Supervision and Construction Procedures

3.3.1. The Contractor shall supervise and direct the Works in a skillful, workmanlike and attentive manner, adhering to the highest standards of the construction industry of the country in which the Works are performed. The Contractor shall be solely responsible for all construction means, methods, techniques, sequences, and procedures and for coordinating all portions of the Works under the Contract. The method of fabrication and incorporation into the building by the Contractor and its subcontractors shall be governed by the best-known practice in each of the respective trades. The Contractor shall make a written request to the ILO to obtain the ILO's written approval before using any materials or methods, which vary in any way from the Specifications.

3.3.2. The Contractor shall be responsible for all costs incurred by the ILO as a result of acts and omissions of the Contractor's employees, subcontractors and their agents and employees, and other persons performing portions of the Works under a contract with the Contractor. However, that nothing in this Paragraph shall operate to diminish the ILO's rights to pursue any claims directly against a subcontractor.

3.3.3. The Contractor shall not be relieved of the obligation to perform the Works in accordance with the Contract either by activities or duties of the ILO or the Project Manager in their administration of the Contract, or by tests, inspections or approvals required or performed by persons other than the Contractor.

3.3.4. The Contractor shall be responsible for inspecting all portions of the Works already performed under this Contract to determine that such portions are in proper condition to receive subsequent Works.

3.3.5. The Contractor shall be responsible for arranging for provision of all gas, electrical power, water and other services the Contractor may require. The Contractor shall be entitled to use for the purposes of the Works such supplies of electricity, water, gas and other services as may be available on the site, subject to the Contractor's obligation to reimburse to the ILO the cost of all quantities consumed. The Contractor shall, at its risk and cost, provide any apparatus necessary for its use of such services and for measuring the quantities consumed (e.g. water and electricity meters).

3.3.6. The Contractor shall be responsible for the safety and security of the entire construction site during the Works, and shall be solely liable for any damage, loss and/or theft occurring on the site and in the buildings the property of or in possession of the ILO (the "ILO buildings"). Further to Paragraph 12 on Insurance below, the Contractor shall maintain sufficient insurance coverage against damage, loss and/or theft occurring on the site during the entire period of the Works (from the Contractor's occupancy of the site or ILO buildings to the ILO's Final Acceptance).

3.4. Labour and Materials

3.4.1. The Contractor shall provide and pay for all labour, materials, equipment, tools, construction equipment and machinery, transportation and other facilities and services necessary for proper execution and completion of the Works, whether temporary or permanent and whether or not incorporated or to be incorporated in the Works.

3.4.2. If the ILO is providing materials in accordance with the Contract, the Contractor shall inform the ILO in writing at least fourteen (14) days in advance of the date on which such materials will be required.

3.4.3. The Contractor shall enforce strict discipline, appropriate dress, and good order among the Contractor's and subcontractor's employees and other persons carrying out the Contract. The Contractor shall not permit employment by the Contractor or subcontractors of unfit persons or persons not skilled in tasks assigned to them.

3.4.4. Should the Contract require work to be performed after regular working hours or should the Contractor elect to perform Works after regular working hours or on holidays, or should it become necessary for the Contractor to perform overtime work in order to meet the Contract completion date for either partial or complete occupancy, the additional cost of such overtime work shall be borne by the Contractor, except when such overtime work is included in a Variance or Construction Change Directive. In such circumstances and without prejudice to Paragraph 14.12, the Contractor and subcontractor shall comply with all applicable laws, in particular collective bargaining agreements.

3.4.5. Without prejudice to Paragraph 14.12, the Contractor shall make arrangements for the engagement of all staff and labour, local or otherwise, and for their payment, housing, feeding and transport. The Contractor shall be solely responsible for paying, and for ensuring that all subcontractors pay, all costs of staff and labour in compliance with any wage requirements and including all benefits, percentages and contributions required by Law. The Contractor shall comply with all laws applicable to the Contractor's personnel, including laws relating to their employment, health, safety, welfare, immigration and emigration, and shall allow them all their legal rights. The Contractor shall require its employees to obey all laws, including those concerning safety at work. The Contractor shall indemnify and hold harmless the ILO, Project Manager, and consultants, agents, officers and employees of any of them from and against claims, damages, losses and expenses, including attorneys' fees, arising out of or resulting from any failure by the Contractor or any subcontractor to comply with all laws relating to labour and employment or to pay benefits, percentages and contributions required by law to or on behalf of persons performing the Works.

3.5. Warranties

3.5.1. In addition to Article 6 of the Contract on the Warranty Period applicable to the Works, the Contractor warrants to the ILO that all products and equipment furnished under the Contract will be of good quality and new, 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 1 year or the manufacturer's warranty on all products and equipment after Provisional Acceptance of the project.

3.5.2. The Contractor warrants that any product, equipment, software, methodology, design, device, material, process, report, trademark, documentation or information provided to the ILO or used in connection with the Works does not violate or infringe upon any Intellectual Property of any third party and hereby agree to indemnify and hold the ILO and employees harmless for 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.

3.5.3. 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 and to 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.

3.5.4. 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 list established by the United Nations Security Council Resolution 1267 (1267 Consolidated List) ; and that it is not, nor has been, subject to any sanction or temporary suspension imposed by any organization within the United Nations System including the World Bank Group.

3.5.5. 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 other organization within the United Nations System including the World Bank Group.

3.5.6. The Contractor represents and warrants that it will report to the ILO any suspected Proscribed Practices 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 related to the ILO-financed activities as applicable.

3.6. Taxes

3.6.1. The International Labour Organization, as a United Nations Specialized Agency, enjoys a special tax status in many member States. Except with the prior written authorization of the ILO, invoices shall be submitted exclusive of any amount representing taxes (including value added tax), duties or charges. Where such authorization has been provided, the Contractor shall provide the ILO with written evidence that payment of such taxes, duties or charges has been made. In the event any government authority refuses to recognize the ILO's exemption from such taxes, duties or charges, the Contractor will immediately consult with the ILO to determine a mutually acceptable procedure.

3.6.2. The Contractor may, if officially requested by the ILO, act as a purchasing agent for the purchase of all tax exempt items to be delivered in the country in which the Works are to be performed. The Contractor shall be responsible for the identification of suppliers, negotiation of purchase orders, acceptance of delivery, and all other activities related to purchase of the Tax Exempt Items.

3.6.3. The Tax Exempt Items shall be purchased pursuant to purchase orders, which impose upon suppliers all obligations necessary to ensure that the Tax Exempt Items meet the requirements of the Contract. The Contractor shall be responsible for compliance with applicable sales tax laws and regulations specific to the country and location of the Works on any resale of surplus materials and supplies being in accordance with the requirements of the Contract.

3.6.4. The Contractor shall use the materials and supplies purchased pursuant to these provisions in the performance of the Contract.

3.6.5. All purchases of materials and supplies made under these provisions are to be delivered in the country in which the Works are to be performed shall be made by the Contractor or its

subcontractors solely as purchasing agent of the ILO. Title shall pass directly to the ILO and each purchase order or subcontract shall include the following provision, which the parties incorporate into this Contract: "This purchase is made by the International Labour Organization (ILO) which shall be obliged to the vendor for the purchase price but the Contractor (or subcontractor, as the case may be) shall handle payment hereunder on behalf of the ILO. The vendor agrees to make demand or claim for payment of the purchase price from the ILO by submitting an invoice to the Contractor (or subcontractor, as the case may be). Title to all materials and supplies purchased hereunder shall vest in the ILO directly from the vendor. The Contractor (or subcontractor, as the case may be) shall not acquire title to all or any portion thereof."

3.6.6. The Contractor shall inform the ILO once an order is placed and related information, including expected delivery date.

3.7. Compliance with Building Codes; Permits, Fees and Notices

3.7.1. 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 and the Project Manager 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 involves a recognized discrepancy with any applicable Laws or building codes without giving prior notice to the ILO and Project Manager, the Contractor shall assume full responsibility for such performance and shall bear the costs for correction and for any damages to the ILO.

3.7.2. 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 of 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 desires. 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.

3.7.3. If the Contractor performs any of the Works negligently or knowingly to be contrary to 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 3.7.1 above.

3.8. Price

3.8.1. As full and complete consideration and compensation for proper performance of all the Works, the ILO shall pay the Contractor the amount(s) set forth in Article 4 of the Contract. The pricing method referred to in Article 4 shall cover all the 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, overhead and general conditions.

3.8.2. The amount(s) set forth in Article 4 of the Contract shall not be increased or changed except by a Modification entered in accordance with the Contract.

3.9. Superintendent

3.9.1. The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the site during performance of the Works. The Contractor's superintendent and a reasonable number of assistants shall be fluent in the language of communication set forth in Article 15 of the Contract. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as effective as if given to the Contractor.

3.9.2. The superintendent is considered essential for the good performance of the Contract. In consequence, prior to replacing the superintendent, the Contractor shall notify the ILO reasonably in advance and submit detailed justifications together with the curriculum vitae of a proposed replacement acceptable to the ILO of equal or better knowledge, experience and ability to carry out the assigned tasks in order to allow, firstly, the evaluation by the ILO and, secondly, an estimate of the impact of the said replacement on the planning of the Works.

3.9.3. The Contractor shall not replace the superintendent without the prior written consent of the ILO, which approval shall not be unreasonably withheld. ILO shall communicate its decision on the proposed superintendent to the Contractor within five (5) days.

3.10. Contractor's Construction Schedules (Workplan)

3.10.1. The Contractor shall prepare and submit for the ILO's and the Project Manager'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 and the Project Manager, who may request adjustments and changes. The Workplan presented by the Contractor and approved by the ILO and the Project Manager 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.

3.10.2. If requested by the ILO or the Project Manager 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.

3.10.3. 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.

3.11. Documents and Samples at the Site; Surveys Lines and Levels

3.11.1. The Contractor shall maintain at the site for the ILO one record copy of the Drawings, Specifications, addenda, Modifications, in good order and marked currently in accordance with Paragraph 3.11.2 below to record changes and selections made during construction, and in addition approved Shop Drawings, Product Data, Samples and similar required submittals. These shall be available to the ILO and the Project Manager and shall be delivered to the ILO upon completion of the Works.

3.11.2. All changes in the Works shall be neatly and correctly shown on an "as-built" set of Drawings, or in the Specifications, with appropriate supplementary notes, to be delivered by the Contractor to the ILO upon completion of the Works.

3.11.3. The Contractor shall be solely responsible for properly laying out the Works, and for all lines and measurements for all of the Works executed under the Contract. The Contractor shall verify the figures shown on the Drawings before laying out the Works and will be held responsible for any errors or inaccuracies resulting from the Contractor's failure to do so. The Project Manager and the ILO shall have no responsibility for laying out the Works.

3.11.4. The Contractor shall establish on the site all necessary reference lines and permanent bench marks from which he shall establish building lines and elevations. A professional engineer or surveyor shall be used by the Contractor for this purpose and to lay out the Works. Not less than two such benchmarks shall be established on widely separated locations. The Contractor shall be solely responsible for the proper location and level of all the Works and for the maintenance of the reference lines and benchmarks.

3.11.5. All dimensions and grades shown on the Drawings are believed to be correct but the Contractor shall verify them at the site and inform the Project Manager and the ILO in writing of any discrepancies found before proceeding with the Works. Similarly, as to final lines and grades established by official surveys, the Contractor shall check the Drawings against such established lines and grades and inform the ILO in writing of any discrepancies found.

3.12. Shop Drawings, Product Data and Samples

3.12.1. Shop Drawings are drawings, diagrams, schedules and other data specially prepared for the Works by the Contractor or a subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Works.

3.12.2. Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Works.

3.12.3. Samples are physical examples, which illustrate materials, equipment or workmanship and establish standards by which the Works will be judged.

3.12.4. Shop Drawings, Product Data, Samples and similar submittals are not Contractual Documents. The purpose of their submittal is to demonstrate, for those portions of the Works for which submittals are required, the way the Contractor proposes to conform to the information given and the design concept expressed in the Contractual Documents. Review by the ILO and the Project Manager is subject to the Paragraph 4.2.7.

3.12.5. The Contractor shall review, approve and submit to the ILO and the Project Manager Shop Drawings, Product Data, Samples and similar submittals required by the Contract with reasonable promptness and in such sequence as to cause no delay in the Works or in the activities of the ILO or of separate contractors. Submittals made by the Contractor, which are not required by the Contract may be returned without action.

3.12.6. The Contractor shall perform no portion of the Works requiring submittal and review of Shop Drawings, Product Data, Samples or similar submittals until their respective submittal has

been approved by the ILO and the Project Manager. Such Works shall be in accordance with approved submittals.

3.12.7. By approving and submitting Shop Drawings, Product Data, Samples and similar submittals, the Contractor represents that the Contractor has determined and verified materials, field measurements and field construction criteria related thereto and has checked and coordinated the information contained within such submittals with the requirements of the Works and of the Contract.

3.12.8. The Contractor is responsible for any deviations from requirements of the Contract by the ILO's or the Project Manager's approval of Shop Drawings, Product Data, Samples or similar submittals unless the Contractor has specifically informed the ILO and the Project Manager in writing of such deviation at the time of submittal and the ILO and the Project Manager have given written approval to the specific deviation. The Contractor is responsible for errors or omissions in Shop Drawings, Product Data, Samples or similar submittals by the ILO's or the Project Manager's approval thereof.

3.12.9. The Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples or similar submittals, to revisions other than those requested by the ILO or the Project Manager on previous submittals.

3.12.10. Informational submittals upon which the ILO and the Project Manager are not expected to take responsive action may be so identified in the Contract.

3.12.11. When professional certification of performance criteria of materials, systems or equipment is required by the Contract, the ILO and the Project Manager shall be entitled to rely upon the accuracy and completeness of such calculations and certifications.

3.13. Use of Site

The Contractor shall confine operations at the site to areas permitted by the Contract and shall not unreasonably encumber the site with materials or equipment. No additional space is available for the storage of materials. All activities must be confined to the limits of the construction area as indicated in the Contract.

3.14. Cutting and Patching

3.14.1. The Contractor shall be responsible for all cutting, fitting or patching required to complete the Works or to make its parts fit together properly.

3.14.2. The Contractor shall not damage or endanger a portion of the Works or fully or partially completed construction of the ILO or separate contractors by cutting, patching or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter such construction by the ILO or a separate contractor except with written consent of the ILO and of such separate contractor; such consent shall not be unreasonably withheld. The Contractor shall not unreasonably withhold from the ILO or a separate contractor its consent to cutting or otherwise altering the Works.

3.15. Waste Management and Site Cleaning Up

3.15.1. The Contractor shall prepare and submit to the Project Manager a "Waste Management Plan" to be implemented at the Site for the entire duration of the Project. The

construction waste shall be separated considering the classification presented in Exhibit I of the Contract.

3.15.2. The Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. At completion of the Works the Contractor shall remove from and about the Project waste materials, rubbish, Contractor's tools, construction equipment, machinery and surplus materials.

3.15.3. If the Contractor fails to clean up as provided in the Contract, the ILO may do so and the cost thereof shall be charged to the Contractor.

3.15.4. The premises and the Works site shall be maintained in a neat and orderly condition and kept free from accumulations of waste materials and rubbish during the entire construction period. All crates, cartons, and other flammable waste materials or trash shall be removed from the work areas at the end of each working day.

3.16. Access to Works

The Contractor shall provide the ILO and the Project Manager complete access to the Works in preparation and progress wherever located.

3.17. Intellectual Property and Royalties

3.17.1. All intellectual property and other proprietary rights, including patents, copyrights, industrial designs and trademarks, with regard to products, inventions, know-how, documents or other materials (Intellectual Property), which the Contractor has developed under the Contract shall be the sole property of the ILO.

3.17.2. To the extent that any Intellectual Property due to the ILO under Paragraph 3.17.1. includes any Intellectual Property of the Contractor that pre-existed the performance by the Contractor of its obligations under the Contract; or, any Intellectual Property of the Contractor that it may develop or acquire, or that may have been developed or acquired, independently of the performance of the Contractor's obligations under the Contract, the Contractor grants to the ILO a perpetual, royalty-free license to make unrestricted use of such Intellectual Property. The ILO will not claim any ownership interest in the Intellectual Property described in this Paragraph.

3.17.3. The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of Intellectual Property and shall hold the ILO and the Project Manager harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a manufacturer or manufacturers is required by the Contract. However, if the either Party has reason to believe that the required design, process or product is an infringement of an Intellectual Property, the Contractor shall be responsible for such loss unless such information is promptly furnished to the Project Manager and the ILO in writing.

3.17.4. Without prejudice to Paragraph 3.17.2, all pre-existing Intellectual Property rights are unaffected by the Contract.

3.18. Indemnification

3.18.1. The Contractor is solely responsible for any claim or damage resulting from the negligence, acts, or omissions of both the Contractor and its agents, subcontractors or employees, including any liability arising from a pollution or contamination incident or event caused by Contractor's activities.

3.18.2. To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the ILO, the Project Manager, and consultants, agents, officers and employees of any of them from and against claims, damages, losses and expenses, including attorneys' fees, arising out of or resulting from performance of the Works or the Contract, whether such claim, damage, loss or expense is attributable (i) to bodily injury, sickness, disease or death, (b) to injury to or destruction of tangible property (including the Works itself) including loss of use resulting therefrom, or (c) to financial or pecuniary loss, including such claims, damages, losses or expenses relating to breach of contract, negligence, or other act or omission of the Contractor or any subcontractor or anyone directly or indirectly employed by them or anyone for whose acts they may be liable in connection with the Works or the Contract, and excluding only the portion of such claim, damage, loss or expense caused solely by the negligence, willful act or breach of the party claiming indemnity hereunder. Such obligation shall not be construed to negate or reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in this Paragraph 3.18.

3.18.3. The Contractor will immediately notify the ILO and the Project Manager upon becoming aware of any direct or indirect responsibilities, complaints, claims (including Intellectual Property rights infringement), suits, judgments, damages and losses, including costs, fees and related expenses, in respect of any physical injury, damage to property, theft, or economic or other prejudice suffered by the ILO or which could adversely affect the ILO.

3.19. Communications

The Contractor shall forward all communications to the ILO through the Project Manager with the exception of notices in accordance with Article 16 of the Contract.

3.20. Pumping, Draining and Protection of Existing Structures

3.20.1. The Contractor shall remove all water from basement areas, tunnels, pits, trenches, and other areas as required for proper performance of the Works and to prevent damage to any part of the Works, Project or other property.

3.20.2. When required by law or for the safety of the Works, the Contractor shall shore up, brace, underpin, and protect foundations and other portions of existing structures, which are in any way affected by the Works. The Contractor, before commencement of any part of the Works shall give any notices required to be given to adjoining landowners or other parties.

3.21. Examination of the Site

The Contractor has visited the site and each of its subcontractors shall visit the site of the proposed Works to make a thorough study of existing conditions so that each will be fully aware of the facilities, difficulties and restrictions attending the execution of the Works under the Contract. Failure of the Contractor or a subcontractor to visit the site and examine the existing conditions shall not relieve the Contractor or its subcontractors from any obligation with respect to the Contract. Contractor's execution of the Contract shall be taken as evidence of compliance with this requirement.

3.22. Meetings

3.22.1 The Contractor shall participate with the ILO and the Project Manager in regular and special meetings, anticipated to be weekly, whose purposes include, but are not limited to, coordination of the Works, programming, accompanying and control of the Works, changes in the Works, progress reviews and any issues related to the orderly execution of the Works. The Contractor shall refer to the Site Management Instructions in Exhibit B of the Contract for more details on this matter.

3.23. Bank Securities

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

- **a)** 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;
- **b)** issued by a bank or another institution, approved by the ILO;
- **c)** in the form annexed to the Contract, or in another form approved by the ILO;
- **d)** payable on first demand;
- **e)** in the currency, amount or percentage and duration set forth in the Contract and
- **f)** issued at the sole cost of the Contractor.

3.23.2. 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.

3.23.3. 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.

3.24. Advance Payment Security

3.24.1. The Contractor shall obtain an Advance Payment Security to secure a claim for refund of all money paid in advance to the Contractor for all purchases itemized in Exhibit G to the Contract (List of Equipment and Components for Advanced Payment) and/or for other mobilization costs as identified by the parties in the Contract. This Advance Payment Security shall be issued for the amount and duration stated in the Contract.

3.25. Performance Security

3.25.1. The Contractor shall ensure that the Performance Security is valid and enforceable until the Certificate of Final Acceptance of the Works is issued by the ILO. If for whatever reason there are delays in the issuance of the Certificate of Final Acceptance by the ILO, the Contractor will be required to extend the duration of the Performance Security accordingly to ensure its validity and enforceability up until the Certificate of Final Acceptance is issued by the ILO.

3.25.2. Without limitation to the provisions of the rest of this Paragraph, in the event of a Variation 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.

3.26. Warranty Security

3.26.1. The Contractor shall obtain a Warranty Security for the performance of the Contractor's warranty obligations throughout the Warranty Period stated in Article 11 of the Contract.

4. ADMINISTRATION OF THE CONTRACT

4.1. Project Management

4.1.1. The project management can be conducted by the ILO itself through an ILO Official, or assigned by the ILO to a company (the "Project Manager"), as identified in Article 7 of the Contract. In the event that the ILO does not assign the project management to a company but conducts it itself, any reference to the "Project Manager" shall be understood as the ILO.

4.1.2. If the role of Project manager is assigned by the ILO to a company, in case of termination of the project management contract, the ILO shall appoint a new Project Manager against whom the Contractor shall not unreasonably object and whose status under the Contract shall be that of the former Project Manager.

4.2. Administration of the Contract

4.2.1. The Project Manager, when it is a company, will advise the ILO on all phases and aspects of the Works. The Project Manager will not have the authority to act on behalf of the ILO unless specifically provided in the Contract or otherwise authorized by the ILO in writing. The Project Manager may review and inspect the progress and quality of the Works and advise the ILO whether the Works are being performed properly, on schedule and within budget An obligation in the Contract for the Project Manager to supervise the Works does not constitute the granting of a power of representation by the ILO to accept or reject the Contractor's Monthly Statements.

4.2.2. The Project Manager and the ILO shall at all times have complete access to the Works wherever it is in preparation and progress. The Contractor shall provide facilities for such access.

4.2.3. The Project Manager and the ILO will not have control over or charge of and will not be responsible for construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Works, since these are solely Contractor's responsibility as provided in Paragraph 3.3. The Project Manager and the ILO will not be responsible for the Contractor's failure to carry out the Works in accordance with the Contract. The Project Manager and the ILO will not have control over or charge of and will not be responsible for acts or omissions

of Contractor, subcontractors, or their agents or employees, or of any other persons performing the Works.

4.2.4. Based on the Project Manager's observations and an evaluation of the Contractor's Monthly Statements, the Project Manager will assist the ILO in determining the amounts owing to the Contractor. The ILO will issue Payment Certificates in such amounts, as provided in Paragraph 10.4.

4.2.5. The ILO will have the authority to reject Works, which do not conform to the Contract. Whenever the ILO considers it necessary or advisable for implementation of the Contract, the ILO will have the authority to require additional inspection or testing of the Works in accordance with Paragraph 14.5, whether or not such Works are fabricated, installed or completed. However, neither this authority of the ILO nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the ILO to the Contractor, subcontractors, material and equipment suppliers, their agents or employees, or other persons performing the Works.

4.2.6. The ILO and the Project Manager will review and approve or take other appropriate action upon the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract. The ILO's and the Project Manager's action will be taken with such reasonable promptness as to cause no delay in the Works or in the activities of the ILO, the Contractor or separate Contractors, while allowing sufficient time to permit adequate review. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Contractor as required by the Contract. The ILO's and the Project Manager's review of the Contractor's submittals shall not relieve the Contractor of any of its obligations under the Contract, including its obligations under Paragraphs 3.3, 3.5 and 3.12. The ILO's and the Project Manager's review shall not constitute approval of safety precautions or of any construction means, methods, techniques, sequences or procedures. The ILO's and the Project Manager's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

4.2.7. At the request of the ILO, the Project Manager will prepare or review documentation for Variances and Construction Change Directives.

4.2.8. At the request of the ILO, the Project Manager will conduct inspections and will advise the ILO with respect to the date of issuance of the Certificate of Provisional Acceptance and the date of issuance of the Certificate of Final Acceptance. The ILO will receive and review written warranties and related documents required by the Contract and assembled by the Contractor, and will issue a final Certificate of Payment upon compliance with the requirements of the Contract.

4.2.9. On written request of the Contractor, the ILO will consult with the Project Manager and will interpret and decide matters concerning performance under and requirements of the Contract. The ILO's response to the Contractor's requests will be made with reasonable promptness and within any time limits agreed upon. If no agreement is made concerning the time within which interpretations required of the ILO shall be furnished in compliance with this Paragraph 4.2.9, then the ILO shall furnish such interpretations within fifteen (15) days after written request is made for them. Interpretations and decisions of the ILO will be consistent with the intent of and reasonably inferable from the Contract and will be in writing or in the form of drawings. The ILO will not be liable for results of interpretations or decisions rendered in good faith. The ILO's interpretation with respect to the inclusion of labour, material, and equipment in the Works shall be final.

4.3. Claims and Disputes

4.3.1. Definition. A claim is a demand or assertion by the Contractor seeking, as a matter of right, adjustment or interpretation of Contract terms, payment of money, extension of time or other relief with respect to and in accordance with the terms of the Contract. Claims must be made by written notice. The responsibility to substantiate a claim asserted by the Contractor shall rest with the Contractor.

4.3.2. Decision of ILO. Claims by the Contractor, including those alleging an error or omission by the Project Manager or any design professional shall be referred to the ILO for action as provided in Paragraph 4.4 hereunder. A decision by the ILO as provided in Paragraph 4.4.4 shall be required as a condition precedent to arbitration or litigation of a claim between the Contractor and the ILO as to all matters arising prior to the date final payment is due. Claims by the Contractor shall be presented to the ILO for a response within the time limits of Paragraph 4.4.1, after which the ILO shall render a decision in accordance with Paragraph 4.4.4.

4.3.3. The Limits on Claims. Claims by the Contractor must be made by written notice delivered to the ILO and the Project Manager within thirty (30) days after the first occurrence of an event giving rise to such claim or within thirty (30) days after the Contractor first recognizes the first condition giving rise to the claim, whichever is later.

4.3.4. Continuing Contract Performance. Unless the ILO exercises its suspension rights pursuant to Paragraph 16.3, 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.

4.3.5. Waiver of Claims: Final Payment. The acceptance of final payment shall constitute a waiver of all claims by the Contractor and all subcontractors as provided in Paragraph 10.9.3 of these General Conditions.

4.3.6. Claims for Concealed or Unknown Conditions. If the Contractor or any subcontractor encounters conditions at the site which are (a) subsurface or otherwise concealed physical conditions, which differ materially from those indicated in the Contract, or (b) unknown physical conditions of an unusual nature, which differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract, then the Contractor shall communicate such conditions to the ILO in writing promptly and in no event later than 3 days after first observance of the conditions. At the request of the ILO, the Project Manager will promptly investigate such conditions and, if they differ materially and cause an increase or decrease in the Contractor's cost of, or time required for, performance of any part of the Works, will recommend an adjustment in the Price(s) or Time for Completion, or both. If the ILO, in consultation with the Project Manager if it so desires, determines that the conditions at the site are not materially different from those indicated in the Contract so as to justify a Variance, or that the Contractor or its subcontractor has failed to properly study existing conditions as required by Paragraph 3.2.1, then the ILO shall so inform the Contractor and no Variance shall be issued.

4.3.7. Claims for Additional Cost. If the Contractor wishes to make claim for an increase in the Price(s), the Contractor shall give written notice to the ILO and Project Manager. Prior notice is not required for claims relating to an emergency endangering life or property arising under Paragraph 11.3. If the Contractor believes additional cost is involved for reasons including: (a) a written interpretation from the ILO; (b) an order by the ILO to stop the Works where the Contractor was not at fault; (c) a Construction Change Directive; (d) a failure of payment by the ILO; (e) a termination of the Contract by the ILO; (f) the ILO's suspension; or, (g) other reasonable grounds such as Force Majeure, claim shall be filed in accordance with this Paragraph 4.3.2.

4.3.8. Claims for Additional Time

a) If the Contractor wishes to make claim for an increase in the Time for Completion, the Contractor shall give written notice to the ILO and the Project Manager. The Contractor's notice shall include the Contractor's best estimate of the effect of any delay on the progress of the Works.

b) If adverse weather conditions are the basis for a claim for additional time, such claim shall not be valid unless documented by data substantiating that weather conditions were abnormal for the period of time and could not have been reasonably anticipated, and that weather conditions had an adverse effect on the Workplan.

4.3.9. Injury or Damage to Person or Property. If the Contractor suffers injury or damage to person or property because of an act or omission of the ILO or any of the ILO's employees or agents, or of others for whose acts the ILO is legally liable, the Contractor shall inform the ILO in writing, within a reasonable time not exceeding three (3) days after first observance and the writing shall include sufficient detail to enable the ILO to investigate the matter. If the Contractor intends to assert a claim for additional cost or time, the Contractor shall follow the process described in Paragraphs 4.3.7 and 4.3.8.

4.4. Resolution of Claims and Disputes

4.4.1. The ILO, in consultation with the Project Manager if it so desires, will review claims made by the Contractor and either accept the claim or take one or more of the following preliminary actions within 10 days (unless agreed otherwise by the parties) of receipt of a claim: (a) request additional supporting data from Contractor, (b) submit a schedule to the Contractor indicating when the ILO expects specific actions to be taken, (c) reject the claim, in whole or in part, stating reasons for its action, or (d) suggest a compromise. The ILO may also, but is not obligated to, inform the surety, if any, of the nature and amount of the claim. In case of a dispute at the initiative of the ILO against the Contractor, the ILO shall make a claim against the Contractor who shall have ten (10) days (unless agreed otherwise by the parties) to (a) request additional supporting data from the ILO, (b) reject the claim, in whole or in part, stating reasons for its action, or (c) suggest a compromise.

4.4.2. If a claim has been resolved, the ILO will prepare or instruct the Project Manager to prepare a Modification or other appropriate documentation in accordance with Paragraph 7 hereafter.

4.4.3. If a claim has not been resolved, the claiming party shall, within ten (10) days after the other party's preliminary response, either withdraw the claim or take one or more of the following actions: (a) submit additional supporting data requested by the party, (b) modify the initial claim, or (c) give notice to the party that the initial claim stands.

4.4.4. If a claim has not been resolved after consideration of the foregoing and of further evidence presented or requested by the claiming party, the claiming party will inform the other party in writing that a decision will be made within seven (7) days, which decision shall be final and binding on both parties but subject to arbitration. Upon expiration of such time period, a written decision relative to the claim will be rendered, including a Variance or Construction Change Directive making any change in the Price(s) or Time for Completion or both. If there is a surety and there appears to be a possibility of a the Contractor default, either party may inform the surety and request the surety's assistance in resolving the controversy.

4.5. Arbitration

4.5.1. Unless settled amicably under Paragraph 4.4.4 of the General Conditions, 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, validity thereof, or its existence or interpretation will be settled by arbitration pursuant to Article 14 of the Contract.

5. ARTICLE 5 SUBCONTRACTORS

5.1. Definitions

5.1.1. A subcontractor is a person or entity who has a direct or indirect contract with the Contractor or another subcontractor to provide labour or services, to supply equipment or materials to the site, or to perform any other portion of the Works at the site. The term "subcontractor" is referred to throughout the Contract as if singular in number and means a subcontractor or an authorized representative of the subcontractor. The term "subcontractor" does not include a separate contractor of the ILO.

5.2. Award of Subcontracts and Other Contracts for Portions of the Works

5.2.1. The Contractor shall not subcontract any Works without the ILO's prior written consent. The Contractor shall be responsible for the acts or defaults of any subcontractor and its agents or employees as if they were the acts or defaults of the Contractor. The Contractor, as soon as practicable after award of the Contract, but no later than fifteen (15) days thereafter, shall furnish in writing to the ILO the names of persons or entities (including those who are to furnish materials or equipment fabricated to a special design) proposed for each principal portion of the Works. The ILO will promptly reply to the Contractor in writing stating whether or not the ILO, after due investigation, has reasonable objection to any such proposed person or entity. The Contractor shall not contract with a proposed person or entity to which the ILO has objected.

5.2.2. If the ILO objects to a person or entity proposed by the Contractor, the Contractor shall propose another to which the ILO has no objection. If the ILO later objects to a person or entity initially proposed by the Contractor and accepted by the ILO, then the Price(s) shall be increased or decreased by a Variance issued in the amount of the reasonable difference in cost occasioned by such change. No increase in the Price(s) shall be allowed for such change unless the Contractor has acted promptly and responsively in submitting names as required.

5.2.3. The Contractor shall not change a subcontractor, person or entity previously selected if the ILO makes reasonable objection to such change, all intended changes should be previously informed to the ILO.

5.2.4. A subcontractor shall not further subcontract all or even part of the Works, except with the prior approval of the ILO.

5.2.5. Failure of the ILO to object in writing to a person or entity proposed as a subcontractor shall not be construed to indicate acceptance or approval of services, materials or equipment provided by such subcontractor and shall not relieve the Contractor from adherence to the terms of the Contract and full and complete responsibility for the cost, quality and timeliness of all of the Works performed by subcontractors.

5.3. Subcontractual Relations

By appropriate agreement, in writing where legally required for validity, the Contractor shall require each subcontractor, to the extent of the Works to be performed by the subcontractor, to be bound to the Contractor by the terms of the Contract and by law, and to assume toward the Contractor all the obligations and responsibilities which the Contractor, by the Contract, assumes toward the ILO and the Project Manager. Each subcontract agreement shall preserve and protect the rights of the ILO and the Project Manager under the Contract with respect to the Works to be performed by the subcontractor so that subcontracting thereof will not prejudice such rights. Where appropriate, the Contractor shall require each subcontractor to enter into similar agreements with lower-tier subcontractors. The Contractor shall make available to each proposed subcontractor, prior to the execution of the subcontract agreement, copies of the Contractual Documents to which the subcontractor will be bound.

5.4. Contingent Assignment of Subcontracts

Each subcontract agreement for a portion of the Works is hereby assigned by the Contractor to ILO provided that:

5.4.1. assignment is effective only after termination of the Contract by the ILO for cause pursuant to Paragraph 16.2 and only for those subcontract agreements, which the ILO accepts by informing the subcontractor in writing;

5.4.2. assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract; and

5.4.3. assignment shall not diminish the Contractor's responsibility to the ILO for the portion of the Works performed under the assigned subcontract.

6. CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

6.1. ILO's Right to Perform Construction and to Award Separate Contracts

6.1.1. The ILO reserves the right to perform construction or operations related to the Project with the ILO's own forces, and to award separate contracts in connection with other portions of the Project or other construction or operations at the site of the Works. If the Contractor claims that delay or additional cost is involved because of such action by the ILO, the Contractor shall give notice of claim as provided in Paragraph 4.3.

6.1.2. When the ILO awards separate contracts for different portions of the Project or other construction or operations on the site, the term "separate contractor" shall mean the contractor, which executes a separate construction contract.

6.1.3. The ILO shall provide for coordination of the activities of the ILO's own forces and shall cooperate with the Contractor for the coordination of the Works with that of each separate contractor. The Contractor shall coordinate the Works with other separate contractors and the ILO in developing and reviewing their Workplan. The Contractor shall make any revisions to the Workplan deemed necessary after a joint review and mutual agreement of all parties concerned and any such changes shall be included in an appropriate Variance or Construction Change Directive issued in accordance with Paragraph 7.

6.1.4. The Contractor and its subcontractors shall not be relieved of any of their obligations based on the union or non-union status of the Contractor, subcontractors or any separate contractors or other

persons hired by the ILO hereunder to perform work on the Project or site. The Contractor, its subcontractors and their agents, officers, and employees shall cooperate with such other and separate contractors or workers on the Project and site irrespective of their union affiliation or lack thereof.

6.2. Mutual Responsibility

6.2.1. The Contractor shall afford the ILO and separate contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities and shall connect and coordinate the Contractor's and subcontractor's construction and operations with theirs.

6.2.2. If part of the Contractor's Works depends for proper execution or results upon construction or operations by ILO or a separate contractor, the Contractor shall, prior to proceeding with that portion of the Works, promptly report to ILO apparent discrepancies or defects in such other construction that would render it unsuitable for such proper execution and results. Failure of the Contractor so to report shall constitute an acknowledgement that ILO's or separate contractors' completed or partially completed construction is fit and proper to receive the Contractor's Works.

6.2.3. The Contractor shall promptly remedy damage caused by the Contractor to completed or partially completed construction or to property of the ILO, its agents, officers, employees or separate contractors as provided in Paragraph 11.2.6.

6.3. ILO's Right to Clean Up

If a dispute arises among the Contractor, separate contractors and the ILO as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish as described in Paragraph 3.15, the ILO may clean up and allocate the cost among those responsible as the ILO determines to be just.

7. CHANGES IN THE WORK

7.1. Changes

7.1.1. Changes in the Works may be accomplished after entering into the Contract, and without invalidating the Contract, by Variance or written Construction Change Directive, subject to the limitations stated in this Paragraph 7 and elsewhere in the Contract.

7.1.2. A Variance shall be based upon agreement between the ILO and the Contractor. A Construction Change Directive may be issued by the ILO alone, without agreement by the Contractor.

7.1.3. Changes in the Works shall be performed under applicable provisions of the Contract, and the Contractor shall proceed promptly unless otherwise provided in the Variance or Construction Change Directive.

7.1.4. If unit prices are stated in the Contract or subsequently agreed upon, and if quantities originally contemplated are so changed in a proposed Variance or Construction Change Directive that application of such unit prices to quantities of Works proposed may cause inequity to the ILO or the

Contractor. The applicable unit prices shall therefore be adjusted by mutual agreement of the parties.

7.2. Variances

7.2.1. A Variance is a written instrument prepared by the ILO, or the Project Manager at ILO's direction, and signed by the ILO and the Contractor stating their agreement upon all of the following:

a) a change in the Works;
b) the amount of the adjustment in the Price(s), if any; and
c) the extent of the adjustment in the Time for Completion, if any.

7.2.2. Determining adjustments to the Price(s) shall be done according to Paragraph 7.3.3.

7.3. Construction Change Directives

7.3.1. A Construction Change Directive is a written order prepared by the ILO, or by the Project Manager at ILO's direction, and signed by the ILO directing a change in the Works and stating a proposed basis for adjustment, if any, in the Price(s) or Time for Completion, or both. The ILO may by Construction Change Directive, without invalidating the Contract, order changes in the Works within the general scope of the Contract consisting of additions, deletions or other revisions, the Price(s) and Time for Completion being adjusted by Variance if so required.

7.3.2. A Construction Change Directive shall be used in the absence of total agreement on the terms of a Variance.

7.3.3. If the Construction Change Directive provides for an adjustment to the Price(s), the adjustment shall be based on sufficient substantiating data, such as a detailed cost estimate, to permit evaluation.

7.3.4. The Contractor shall keep and maintain accurate accounts and records with respect to all changes in the Works in accordance with internationally accepted accounting principles, and in such form and detail as will clearly identify all relevant charges and costs and the bases thereof. The Contractor shall permit the ILO or its designated representative to periodically inspect and audit all relevant accounts and records. The Contractor shall preserve all accounts and records relating to changes under the Contract for a period of ten (10) years after final payment under the Contract.

7.3.5. Upon receipt of a Construction Change Directive, the Contractor shall immediately proceed with the change in the Works involved and advise the ILO of Contractor's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Price(s) or Time for Completion.

7.3.6. A Construction Change Directive signed by the Contractor indicates the agreement of the Contractor therewith, including adjustment in Price(s) and Time for Completion or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Variance.

7.3.7. If the Contractor does not respond immediately or disagrees with the method for adjustment in the Price(s), the method and the adjustment shall be determined by the ILO on the basis of reasonable expenditures and savings of those performing the Works attributable to the change, including in case of an increase in the Price(s).

7.3.8. If the Project Manager and the Contractor do not agree with the adjustment in Time for Completion or the method for determining it, the adjustment or the method shall be referred to the ILO for consideration.

7.3.9. When the Project Manager and the Contractor agree upon the adjustments in the Price(s) and Time for Completion, such agreement shall be effective immediately and shall be recorded by preparation and signature of an appropriate Variance.

7.4. Requirement for Variation or Construction Change Directive

The Contractor shall not proceed with any change or Modification to the Works without a written Variation or Construction Change Directive from the ILO. The delivery of supplemental or revised Drawings or Specifications to the Contractor by the Project Manager, the ILO or a design professional shall not be interpreted by the Contractor as fulfilling the requirement for a written Variation or Construction Change Directive. A written Variation or Construction Change Directive must be obtained by the Contractor in addition to such Drawings or Specifications.

8. TIME

8.1. Definitions

8.1.1. Unless otherwise provided, the Time for Completion is the period of time, including authorized adjustments by Variation, provided in Article 3 of the Contract for the Contractor to achieve Provisional Acceptance of the Works.

8.1.2. The date of commencement of the Works is the date specified in the notice to proceed issued by the ILO or the Project Manager.

8.1.3. The date of Provisional Acceptance is the date certified by the ILO in accordance with Paragraph 10.8.

8.1.4. The term "day" as used in the Contract shall mean calendar day unless otherwise specified.

8.2. Progress and Completion

8.2.1. Time limits stated in the Contract are of the essence of the Contract. By executing the Contract the Contractor confirms that the Time for Completion is a reasonable period for performing and completing the Works.

8.2.2. The Contractor shall not knowingly, except by agreement or instruction of the ILO or Project Manager in writing, commence operations on the site or elsewhere prior to the effective date of the insurance required by Paragraph 12 to be furnished by the Contractor. The date of commencement of the Works shall not be changed by the effective date of such insurance. Unless the date of commencement is established by a notice to proceed given by the ILO or the Project Manager, the Contractor shall give notice to the ILO or the Project Manager in writing not less than five (5) days before commencing the Works.

8.2.3. The Contractor shall proceed expeditiously and shall achieve Provisional Acceptance within the Time for Completion.

8.3. Delays and Extensions of Time

8.3.1. If the Contractor is delayed at any time in progress of the Works by wrongful or negligent act or omission of the ILO or the Project Manager or of a separate contractor employed by the ILO, or by changes ordered in the Works by ILO or the Project Manager, or by fire, unusual delay in deliveries, unavoidable casualties or other causes beyond the Contractor's control, or by delay authorized by the ILO or the Project Manager, then the Time for Completion shall be extended by Variance for such reasonable time as the ILO or the Project Manager may determine.

8.3.2. Claims relating to time shall be made in accordance with applicable provisions of Paragraph 4 of the General Conditions.

8.3.3. If any delay on the part of the Contractor results in any claim against the ILO or the Project Manager by a separate contractor, the Contractor shall indemnify and hold the ILO and the Project Manager harmless therefrom.

8.3.4. If the Works are more than ten (10) days behind schedule due to causes within the Contractor's control, the Contractor shall, upon the written direction of the ILO or the Project Manager, provide sufficient additional labour, including overtime, to bring the Works back on schedule. The ILO reserves the right to hire third parties to provide such additional labour at the Contractor's expense. The overtime premium or any other costs for such additional labour, whether performed by the Contractor's agents and employees or by third parties, shall be borne by the Contractor and shall not increase the Price(s).

9. FORCE MAJEURE

9.1.1. Neither party shall be liable to the other party for failure to perform its respective obligations, if such failure is as a result of an unforeseeable and irresistible event, national emergency declared by the government, act of nature (including fire, flood, earthquake, storm, hurricane, epidemic or other natural disaster), any act of war (whether declared or not), invasion, revolution, insurrection, terrorism, or any other acts of a similar nature or force, (Force Majeure) provided that such acts arise from causes beyond the control and without the fault or negligence of the invoking party. Considering the particular nature of the ILO it may happen that such act of war, invasion, revolution, insurrection, terrorism, or any other acts of a similar nature or force may be declared unilaterally by the United Nations Department of Safety and Security (UNDSS). This declaration made by UNDSS shall nevertheless bind the parties as if it was a declaration made by the national authorities.

9.1.2. The defaulting party shall notify, as soon as possible after the occurrence of the Force Majeure event, the other party in writing with full particulars of the Force Majeure event, including its likely duration, the estimated expenditures that will likely be incurred for the duration of the Force Majeure event, and any other conditions, which threaten to interfere with the defaulting party's performance of the Contract.

9.1.3. Without prejudice to any other right or remedy available under the Contract, if either party is rendered unable, in whole or in part, by reason of Force Majeure to perform its obligations and meet its responsibilities under the Contract and where the Force Majeure event exists beyond thirty (30) days, or when from the outset the Force Majeure event is expected to last more than thirty (30) days, then the parties will negotiate in good faith the most appropriate resolution, including suspension or termination of the Contract.

10. PAYMENTS AND COMPLETION

10.1. Price

The Price(s) is/are stated in Article 4 of the Contract. Subject to adjustments by authorized Modifications, the Price(s) is/are the total amount payable by the ILO to the Contractor for complete and to the satisfaction of the ILO of the Works under the Contract.

10.2. Schedule of Payments and Fees

Before submitting its first Monthly Statement, the Contractor shall submit to the ILO a Schedule of Payments and Fees allocating the Price(s) to the various portions of the Works, prepared in such form and supported by such data to substantiate its accuracy as the ILO may require. This schedule, unless objected by the ILO, shall be used as a basis for reviewing the Contractor's Monthly Statements.

10.3. Monthly Statements and Progress Reports

10.3.1. The Contractor shall submit to the ILO an itemized Monthly Statement for Works completed in accordance with the Contract. The Completed Works listed in these Monthly Statements must be consistent with the monthly measurements prepared by the Contractor in conjunction with the Project Manager. Such Monthly Statement shall be based on the Schedule of Payments and Fees referred to in Paragraph 10.2 and shall be supported by such data substantiating the Contractor's right to payment as the ILO may require, such as copies of requisitions from subcontractors and material suppliers. Monthly Statements may not include requests for payment of amounts the Contractor does not intend to pay to a subcontractor or supplier because of a dispute or other reason. In such circumstances, the Contractor will furnish in writing reasons for withholding payment in whole, or in part.

10.3.2. Unless otherwise provided in the Contract, payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Works. If approved in advance by the ILO, payment may similarly be made for materials and equipment suitably stored off the site at a location agreed upon in writing. Payment for materials and equipment stored on or off the site shall be conditioned upon compliance by the Contractor with procedures satisfactory to the Project Manager to establish ILO's title to such materials and equipment or otherwise protect ILO's interest, and shall include applicable insurance, storage and transportation to the site for such materials and equipment stored off the site, as well as certification that such materials will be installed in the Works under this Contract.

10.3.3. The Contractor warrants that title to all Works covered by a Monthly Statement will pass to the ILO no later than the time of payment. The Contractor further warrants that upon submittal of a Monthly Statement all Works for which Certificates for Payment have been previously issued and payments received from the ILO shall be free and clear of liens, claims, security interests or encumbrances in favor of the Contractor, subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided labour, materials and equipment relating to the Works.

10.3.4. Monthly progress reports shall be prepared by the Contractor and submitted to the Project Manager in hard copy and electronic form. The first report shall cover the period up to the end of the first calendar month following issuance of the notice to proceed by the ILO or the Project Manager. Reports shall be submitted monthly thereafter, each within seven (7) days after the last day of the period to which it relates. Each report shall include: (a) charts and detailed descriptions of progress; (b) photographs showing the status of manufacture and of progress on the Site; (e) copies of quality assurance documents, test results and certificates; (f) an updated list of all approved and pending Variances and an updated list of all claims for which notice has been given; (g) safety statistics, including details of any hazardous incidents and activities relating to environmental aspects; (h) comparisons of actual and planned progress, with details of any delays

and the measures being (or to be) adopted to overcome delays; and (i) such other information as the Project Manager may reasonably request.

10.4. Payment

10.4.1. The ILO will, within thirty (30) days after receipt of the Contractor's Monthly Statement, either pay to the Contractor amount as the ILO determines is properly due, or explain to the Contractor in writing the ILO's reasons for withholding payment in whole or in part as provided in Paragraph 10.5.1. Payment shall be made in the currency set forth in Article 5 of the Contract.

10.4.2. Payment by the ILO pursuant to a Monthly Statement is not a representation that the ILO or the Project Manager has (a) accepted the Works for which payment is requested; (b) made exhaustive or continuous on-site inspections to check the quality and quantity of the Works, (c) reviewed construction means, methods, techniques, sequences or procedures, (d) reviewed copies of requisitions received from subcontractors and material suppliers and other data requested by ILO to substantiate the Contractor's right to payment or (e) made examination to ascertain how or for what purpose the Contractor has used money previously paid on account of the Price(s).

10.5. Decisions to Withhold Payment

10.5.1. The ILO may withhold a payment in whole or in part or, because of subsequently discovered evidence or subsequent observations, may recapture payments previously made, to the extent reasonably necessary to protect the ILO if, in the ILO's opinion, in consultation with the Project Manager if it so desires, such withholding or recapture is justified to protect the ILO from loss arising from any of the following:

a) defective Works not remedied;
b) third party claims filed or reasonable evidence indicating probable filing of such claims;
c) failure of the Contractor to make payments properly to subcontractors or for labour, materials or equipment;
d) reasonable evidence that the Works cannot be completed for the unpaid balance of the Price(s);
e) damage to the ILO or a separate contractor;
f) reasonable evidence that the Works will not be completed within the Time for Completion and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;
g) failure to carry out the Works in accordance with the Contract; or
h) failure to provide subcontractors' releases of liens for labour and materials paid under previous certification.

10.5.2. If the ILO intends to withhold payment in any amount, the ILO will provide an explanation to the Contractor in writing as provided in Paragraph 10.4.1. If the Contractor and the ILO cannot agree on a revised amount, the ILO shall inform the Contractor of any amount the ILO does not dispute and shall instruct the Contractor to re-issue a Monthly Statement in the undisputed amount. Upon receipt of a re-issued Monthly Statement prepared in accordance with the ILO's instructions, the ILO shall pay the Contractor the amount stated therein. Upon resolution of a dispute, the ILO will instruct the Contractor to issue an invoice or to include the agreed amount in the Contractor's next Monthly Statement. Upon receipt of an invoice or Monthly Statement prepared in accordance with the ILO's instructions, the ILO shall pay the amount stated therein to the Contractor.

10.5.3. No payment by the ILO of any amount pursuant to a Monthly Statement, nor any partial or entire use or occupancy of the Project or Works area by the ILO, shall constitute an

acceptance of the Works, or be relied upon as any indication that the Works is in accordance with the Contract, or that the amounts paid represent the correct cost or value of the Works completed, or that such amounts are due to the Contractor.

10.6. Payment of Subcontractors

10.6.1. The Contractor shall be responsible during the progress of the Works for making timely payment for all services, materials and equipment used in the prosecution of the Works, and shall make sure that sufficient funds remain available at any time for the payment of subcontractors providing such services, materials and equipment. The Contractor shall promptly pay each subcontractor, out of the amount paid to the Contractor on account of such subcontractor's portion of the Works, the amount to which said subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of such subcontractor's portion of the Works. The Contractor shall, by appropriate written agreement with each subcontractor, require each subcontractor to make payments to lower-tier subcontractors in the same manner.

10.7. Failure of Payment

If, through no fault of the Contractor, the ILO does not make payment or provide a written explanation to the Contractor in accordance with Paragraph 10.4.1, within thirty (30) days after receipt of the Contractor's Monthly Statement, then the Contractor may, upon ten (10) additional days' written notice to the ILO, interrupt the Works until the ILO has complied with Paragraph 10.4.1. The Time for Completion shall be extended appropriately and the Price(s) shall be increased by the amount of Contractor's reasonable costs of shut-down, delay and start-up, which shall be accomplished as provided in Paragraph 7 above.

10.8. Provisional Acceptance

10.8.1. Provisional Acceptance is the stage in the progress of the Works when: (a) except and only for minor uncompleted items which will not affect the occupancy and operation of the Works as intended, the Works is sufficiently complete in accordance with the Contract to enable the ILO to occupy and use the Works for the use for which it is intended; (b) all operational systems and elements that are part of the Work, including mechanical, electrical and support systems, are functioning as required by the Contract; and, (c) the requirements of Paragraph 10.8.2 have been satisfied and a Certificate of Provisional Acceptance has been issued by the ILO. The terms “Provisionally Accept” and “Provisionally Accepted” as applied to all or part of the Works refer to Provisional Acceptance of the Works or designated portion thereof.

10.8.2. When the Contractor believes that is has satisfied the requirements for Provisional Acceptance for the Works or a portion thereof, which the ILO agrees to accept separately, the Contractor shall submit a request to the ILO for a Certificate of Provisional Acceptance, together with verification that: (a) the Works or the applicable portion thereof have been performed and completed in accordance with the Contract; (b) all mechanical equipment, plumbing fixtures or any other mechanical devices furnished or installed as part of the Works have been thoroughly checked, started up, tested and adjusted by the Contractor after installation to insure that they are in good working condition and operating properly; (c) all floors are level and free of rough spots and applicable surfaces have received a primer and final painting coat that was applied evenly with no hollows or cavities; (d) all finishes are free of any chips, dents, scratches, discoloring or operational defects; and, (e) the Works is ready for use by the ILO including thorough cleaning of windows, fixtures and trim, finished floors, exposed concrete floors, tile, millwork and molding, cabinets and hardware, railings, balconies, stairwells and roofs.

10.8.3. Upon receipt of Contractor's request for a Certificate of Provisional Acceptance, the ILO will make an inspection to determine whether the Works or designated portion thereof should be Provisionally Accepted and will cooperate with the Contractor in preparing a comprehensive list (punch or "snagging" list) of minor items to be completed or corrected. The Contractor shall proceed promptly to complete and correct items on the list. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Works in accordance with the Contract.

10.8.4. If the ILO or Project Manager's inspection discloses any item, whether or not included on the punch list, which is not in accordance with the requirements of the Contract, the Contractor shall, before issuance of the Certificate of Provisional Acceptance, complete or correct such item upon written request by the ILO or the Project Manager. The Contractor shall then submit a request for another inspection by the ILO or the Project Manager to determine Provisional Acceptance. When the Works or designated portion thereof is substantially complete, the ILO, or at its discretion, the Project Manager, will prepare a Certificate of Provisional Acceptance, which shall establish the date of Provisional Acceptance, shall establish responsibilities of the ILO and the Contractor for security, maintenance, heat, utilities, damage to the Works and insurance, and shall fix the time within which the Contractor shall finish all items on the punch list accompanying the Certificate. The ILO may withhold from any payment otherwise due to the Contractor an amount equal to two hundred percent (200%) of the cost to complete the punch list items, which amount shall be payable to the Contractor by the ILO after satisfactory completion of all items included on the punch list.

10.8.5. Upon proper application by the Contractor and issuance by the ILO of a Certificate of Provisional Acceptance of all the Works, the ILO shall make payment, for such Works or portion thereof as provided in Article 5 of the Contract.

10.8.6. The Contractor is solely responsible for ensuring that Provisional Acceptance of all the Works is achieved within the Time for Completion. If the Time for Completion expires before the date of Provisional Acceptance of all the Works as established in the Certificate of Provisional Acceptance, the Contractor shall pay to the ILO delay damages in the amount specified in Article 12 of the Contract. These delay damages shall be paid for every day, which elapses between the last day of the Time for Completion and the date of Provisional Acceptance stated in the Certificate of Provisional Acceptance. Payment of these delay damages shall not relieve the Contractor of its obligation to complete the Works or from any other obligations under the Contract.

10.9. Final Acceptance and Final Payment

10.9.1. Upon receipt of written statement that the Works are ready for final inspection and acceptance and upon receipt of a final Monthly Statement, the ILO or the Project Manager will promptly make such inspection and, when the ILO or the Project Manager finds the Works acceptable under the Contract and the Contract has been fully performed, the ILO or the Project Manager will issue a Certificate of Final Acceptance and issue to the Contractor a final payment, after deduction of any amounts owed by the Contractor to the ILO.

The Certificate of Final Acceptance shall not be issued and the final payment shall not become due until the Contractor submits to the ILO:

(a) a certificate evidencing that insurance required by the Contract to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least thirty (30) days' prior written notice has been given to the ILO;

(b) a written statement that the Contractor knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract;

(c) production of a bank Warranty Security, as requested by ILO in Article 11 of the Contract;

(d) all warranties and manufacturer's instructions on products and equipment furnished and installed by the Contractor;

(e) as-built drawings, as set forth in Paragraph 3.11;

(f) the Building use manual and Maintenance plan manual referred to at Paragraph 14.13; and

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

10.9.2. If required by the ILO, 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.

10.9.3. Acceptance of final payment by the Contractor, a subcontractor or material supplier shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Monthly Statement.

11. PROTECTION OF PERSONS AND PROPERTY

11.1. Safety Precautions and Programs

The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Contract and shall ensure prompt, effective treatment of any ill or injured person, in close coordination with the Project Manager.

11.2. Safety of Persons and Property

11.2.1. In accordance with the ILO's safety instructions for Contractors attached as Exhibit E to the Contract, the Contractor shall take all necessary protective safety and health measures for themselves, their agents and employees, subcontractors, other third parties and the Works themselves. In particular, the Contractor has to do everything necessary to prevent accidents and professional diseases and to protect the health and personal integrity of its agents and employees and subcontractors. The Contractor moreover has to ensure that its agents and employees and eventual subcontractors respect all local occupational safety and health regulations.

11.2.2. The Contractor shall provide reasonable protection to prevent damage, injury or loss to:

a) the Works and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody or control of the Contractor or subcontractors; and,

b) other property at the site or adjacent thereto, including the ILO's existing building, offices, common areas, furnishings, fixtures, equipment, trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.

11.2.3. The Contractor shall give notices and comply with all Laws bearing on safety and health of persons or property or their protection from damage, injury or loss.

The Contractor shall erect and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and health like for protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities.

11.2.4. In particular agents and employees shall:

- Wear personal protective equipment PPE;
- Refrain from infringing the efficiency of protective installations; and
- Immediately signal any danger or risk to the Contractor, the Project Manager and the ILO.

11.2.5. The Contractor's use or storage of explosives or other hazardous materials or equipment or unusual methods for execution of the Works, are expressly prohibited.

11.2.6. The Contractor shall promptly remedy damage and loss to property caused in whole or in part by the Contractor, a subcontractor or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable. The foregoing obligations of the Contractor are in addition the Contractor's obligations under Paragraph 3.18.

11.2.7. The Contractor shall designate a responsible member of Contractor's organization at the site whose duty shall be the prevention of accidents. This person shall be the Contractor's superintendent unless otherwise designated by the Contractor in writing to the ILO.

11.2.8. The Contractor shall not load or permit any part of the construction or site to be loaded so as to endanger its safety.

11.2.9. Damage to existing buildings or structures, at the Works site or adjacent thereto, due to the Contractor's operations shall be repaired to the satisfaction of the ILO at the Contractor's sole expense.

11.3. Emergencies

11.3.1. In an emergency affecting safety of persons or property, the Contractor shall act, at Contractor's discretion, to prevent threatened damage, injury or loss. Additional compensation or extension of time claimed by the Contractor on account of an emergency shall be determined as provided in Paragraphs 4.3 and 7 of the General Conditions.

11.3.2. The Contractor shall report as soon as possible but within twenty-four (24) hours in writing to the Project Manager, all accidents whatsoever arising out of, or in connection with, the performance of the Works, whether on or off the site, which caused death, personal injury or property damage, giving full details and names of witnesses. If any claim for damage or otherwise is made for any accident, the Contractor shall promptly report the facts in writing to the Project

Manager giving full details of the claim so that the ILO may assess responsibility, if any, protect its interests and prepare, in a timely fashion, relevant information for its insurance carrier.

12. INSURANCE

12.1. General Requirements for Insurances

12.1.1. The Contractor shall, while performing the Works, pay for, maintain and furnish with companies satisfactory to the ILO insurance coverages as set forth within this Paragraph 12. The Contractor agrees that each insurance shall be effected with insurers and in terms approved by the ILO.

12.1.2. The Contractor agrees to the following regarding the required insurance coverages:

a) Coverage shall be provided by insurers rated A X or higher by A.M. Best. If an insurer's rating falls below A X, then the Contractor shall give notice to the ILO and the ILO may request that the Contractor replace coverage at the Contractor's expense;

b) All insurance coverages (except Workers Compensation and Professional Liability), to be maintained and furnished hereunder by the Contractor shall be primary and non-contributory;

c) No policy shall have a deductible of more than $250,000 in respect to any single claim or occurrence;

d) The Contractor shall cause the ILO and the Project Manager to each be named as an additional insured as to all insurance coverages required hereunder (except Workers Compensation and Professional Liability) to be maintained and furnished by the Contractor;

e) The additional insured endorsement on the commercial general liability policy shall include both "on-going operations" and liability arising from "your work/completed operations" (the equivalent of ISO additional insured endorsement CG20-10-11-85) and the Contractor agrees to provide a copy of such endorsement to the ILO;

f) The ILO shall be named as Loss Payee on the Builder's Risk policy;

g) No exclusions for explosion, collapse, or underground hazards shall be added to the commercial general liability and the umbrella liability policy;

h) All insurance (except Professional Liability) shall be maintained on an "occurrence" basis;

i) The ILO and Project Manager shall be given notice at least thirty (30) days prior to the effective date of any cancellation (except ten (10) days for cancellation due to non-payment of premium) of any required insurance coverages;

j) All required coverages shall include a waiver of any rights of subrogation by the insurer against the ILO and the Project Manager;

k) The Contractor shall, before commencing the Works and thereafter from time to time promptly upon request of the ILO or the Project Manager, deliver to the ILO certificates of insurance, including copies of applicable policy endorsements, indicating that the Contractor is in compliance with the insurance requirements set forth herein. Such certificates of insurance shall be provided annually until expiration of the products-completed operations coverage period provided in Paragraph **Error! Reference source not found.**.

l) The Contractor shall require that all subcontractors maintain the same coverages (except for Builder's Risk) and shall maintain (at the job site) copies of the same documents the Contractor is required to furnish to the ILO.

12.1.3. If a policy is required to indemnify joint insured, the cover shall apply separately to each insured as though a separate policy had been issued for each of the joint insured. If a policy indemnifies additional joint insured, namely in addition to the ILO, (a) the Contractor shall act under the policy on behalf of these additional joint insured except that the ILO shall act for ILO's personnel, (b) additional joint insured shall not be entitled to receive payments directly from the insurer or to have any other direct dealings with the insurer, and (c) the insuring party shall require all additional joint insured to comply with the conditions stipulated in the policy.

12.1.4. Each policy insuring against loss or damage shall provide for payments to be made in the currencies required to rectify the loss or damage. Payments received from insurers shall be used for the rectification of the loss or damage.

12.1.5. Failure of the Contractor to supply a certificate of insurance or other evidence of full compliance with these insurance requirements or failure of the ILO to identify a deficiency from evidence that is provided shall not be construed as a waiver of the Contractor's obligation to maintain such insurance.

12.1.6. If an insurer makes (or attempts to make) any alteration, the Contractor shall promptly give notice to the ILO.

12.1.7. If the Contractor fails to effect and keep in force any of the insurances it is required to effect and maintain under the Contract, or fails to provide satisfactory evidence and copies of policies in accordance with this Paragraph 12 above, the ILO may (at its option and without prejudice to any other right or remedy) effect insurance for the relevant coverage and pay the premiums due. The Contractor shall reimburse the amount of these premiums to the ILO.

12.1.8. Nothing in this Paragraph limits the obligations, liabilities or responsibilities of the Contractor or the ILO, under the other terms of the Contract or otherwise; provided, however, that if the Contractor fails to effect and keep in force an insurance which is available and which it is required to effect and maintain under the Contract, and the ILO neither approves the omission nor effects replacement insurance, any moneys which should have been recoverable under such insurance shall be paid by the Contractor.

12.1.9. By requiring insurance herein, the ILO does not represent that coverage and limits will necessarily be adequate to protect the ILO or the Contractor and such coverage and limits shall not be construed as a limitation on the Contractor's liability.

12.2. Required Insurance Coverage and Limits

12.2.1. Worker's compensation: shall not be below the limit required by Law.

12.2.2. Employer's liability: The insurance shall cover the ILO and the Project Manager against liability for claims, damages, losses and expenses (including legal fees and expenses) arising from injury, sickness, disease or death of any person employed by the Contractor or any other of the Contractor's personnel, except that this insurance may exclude losses and claims to the extent that they arise from any act or neglect of the ILO or of ILO's personnel. This insurance shall be for a limit as required by law in the country where the Works shall be performed. The insurance shall be maintained in full force and effect during the whole time that these personnel

are assisting in the execution of the Works. For a subcontractor's employees, the insurance may be effected by the subcontractor, but the Contractor shall be responsible for compliance with this Paragarph 12.

12.2.3. Property Insurance/Builder's Risk: The Contractor shall maintain Property Insurance and Builder's Risk coverage for the project for property damage and third party injury or damage claims. The Builder's Risk policy shall provide all-risk coverage and shall include flood, earthquake, windstorm, and soft costs. Coverage shall be provided on a replacement cost basis. Coverage shall not be bound without the ILO's approval in writing.

13. UNCOVERING AND CORRECTION OF WORK

13.1. Uncovering of Works

13.1.1. If a portion of the Works is covered contrary to the ILO's request or to the Contract, it shall, if requested in writing by the ILO, be uncovered for the ILO's observation and be replaced at the Contractor's expense without change in the Price(s) or the Time for Completion.

13.1.2. If a portion of the Works has been covered, which the ILO has not specifically requested to observe prior to it being covered, the ILO may request to see such Works and it shall be uncovered by the Contractor. If such Works are in accordance with the Contract, costs of uncovering and replacement shall, by appropriate Variance, be charged to the ILO. If such Works not in accordance with the Contract, the Contractor shall pay such costs unless the condition was caused by the ILO or a separate contractor in which event the ILO shall be responsible for payment of such costs.

13.2. Correction of Works

13.2.1. The Contractor shall promptly correct the Works rejected by the ILO or failing to conform to the requirements of the Contract, whether observed before or after Provisional Acceptance. The Contractor shall bear costs of correcting such rejected Works, including additional testing and inspections and compensation for the ILO's, the Project Manager's and other consultant's services and expenses made necessary thereby.

13.2.2. If within thirty (30) days after discovery of a latent defect not reasonably discoverable at the time of Provisional Acceptance any 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 under this Paragraph 13.2.2 shall survive acceptance of the Works under the Contract and termination of the Contract. The ILO shall inform the Contractor within a reasonable time after discovery of the condition.

13.2.3. The Contractor shall remove from the site 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.

13.2.4. If the Contractor fails to correct non-conforming Works within the time as specified in a written request from the ILO or the Project Manager, then the ILO may correct such Works in accordance with Paragraph 2.4 or may remove it and store the salvable materials or equipment at Contractor's expense. The ILO may, after providing ten (10) days advance notice to the Contractor, sell such materials and equipment at auction or at private sale and shall account for the proceeds thereof, after deducting costs and damages that should have been borne by the Contractor, including compensation for the ILO's, the Project Manager's and consultant's services and

expenses made necessary thereby. If such proceeds of sale do not cover costs, which the Contractor should have borne, the Price(s) shall be reduced accordingly and a Variance shall be issued to that effect. If payments then or thereafter due the Contractor are not sufficient to cover such amount, the Contractor shall pay the difference to the ILO.

13.2.5. 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 Works, which is not in accordance with the requirements of the Contract.

13.2.6. Nothing contained in this Paragraph 13.2 shall be construed to establish a period of limitation with respect to other obligations, which the Contractor might have under the Contract.

13.3. Acceptance of Non-conforming Works

If the ILO prefers to accept Works not in accordance with the requirements of the Contract, the ILO may do so instead of requiring its removal and correction, in which case the Price(s) will be reduced by Variance as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

14. MISCELLANEOUS PROVISIONS

14.1. Ruling Language

The Contract shall be governed by the requirements stated in Article 15 of the Contract.

14.2. Successors and Assigns

The ILO and the Contractor respectively bind themselves, their partners, successors, assigns and legal representatives to the other party hereto and to partners, successors, assigns and legal representatives of such other party in respect to covenants, agreements and obligations contained in the Contract. Neither party to the Contract shall assign the Contract in whole or in part without written consent of the other. If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract. The Contractor shall not assign any monies due or to become due hereunder without the written consent of the ILO.

14.3. Administrative Control

14.3.1. The Project Coordinator responsible for the technical and contractual administration of this Contract shall be the person identified in Article 8 of the Contract, unless otherwise delegated to another officer of the ILO by communicating to the Contractor in writing the scope of said delegation of authority in accordance with Paragraph 14.3.2.

14.3.2. The Contractor and the ILO shall provide to each other in writing the names of their respective representatives authorized to act pursuant to the various provisions of the Contract, and the scope of the delegation. Such information shall be given upon signature of the Contract and from time to time upon the parties' designation of other authorized officers.

14.3.3. Whenever notice is required by the Contract, such notice shall be deemed to have been given only if delivered in person to the individual or member of the firm or to an officer of the corporation for whom it was intended, or if delivered or sent by an internationally recognized

overnight delivery service with proof of receipt, to the notice addresses set forth in Article 15 of the Contract.

14.4. Rights and Remedies

14.4.1. Duties and obligations imposed by the Contract and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights and remedies otherwise imposed or available by law.

14.4.2. No action or failure to act by the ILO, the Project Manager or the Contractor shall constitute a waiver of a right or duty afforded them under the Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed in writing.

14.5. Tests and Inspections

14.5.1. Tests, inspections and approvals of portions of the Works required by the Contract or by law shall be made at an appropriate time. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections and approvals with an independent testing laboratory or entity acceptable to the ILO, or with the appropriate public authority, and shall bear all related costs of tests, inspections and approvals. The Contractor shall timely communicate to the ILO the date, time and location of all tests and inspections so the ILO and the Project Manager may observe such procedures.

14.5.2. If the Project Manager or the ILO determine that portions of the Works require additional testing, inspection or approval not included under Paragraph 14.5.1, the ILO may, at its sole option,(a) arrange to have such additional testing, inspection or approval performed directly and shall timely communicate to the Contractor the date, time and location of tests and inspections are to be made so the Contractor may observe such procedures, or (b) instruct the Contractor to make arrangements for such additional testing, inspection or approval by an entity acceptable to the ILO, and the Contractor shall timely communicate to the ILO the date, time and location of all tests and inspections so the ILO may observe such procedures. The ILO shall bear such costs except as provided in Paragraph 14.5.3.

14.5.3. If such procedures for testing, inspection or approval under Paragraphs 14.5.1 and 14.5.2 reveal failure of the portions of the Works to comply with requirements established by the Contract, the Contractor shall bear all costs made necessary by such failure including those of repeated procedures and compensation for the ILO's, the Project Manager's or consultant's services and expenses.

14.5.4. Required certificates of testing, inspection or approval shall be secured by the Contractor and promptly delivered to the ILO with a copy to the Project Manager.

14.5.5. If the ILO requests that the Project Manager observe tests, inspections or approvals required by the Contract, the Project Manager will do so promptly and, where practicable, at the normal place of testing.

14.5.6. Tests or inspections conducted pursuant to the Contract shall be made promptly to avoid delay in the Works.

14.5.7. Neither the observations of the Project Manager or the ILO in the performance of their services or inspections, nor tests or approvals by persons other than the Contractor, nor failure

of persons other than the Contractor to require inspections, tests or approvals shall relieve the Contractor of its obligations to perform the Works in accordance with the Contract.

14.6. Commencement of Statutory Limitation Period

The Statutory Limitation Period applicable to the Works shall be ten (10) years. The ILO can, at any time during this period, report to the Contractor that defects to the Work have occurred, without the Contractor being able to blame the ILO for having acted late or offset the repair or replacement.

As between the ILO and the Contractor:

14.6.1. before Provisional Acceptance. As to acts or failures to act occurring or being discovered prior to the relevant date of Provisional Acceptance, the above statute of limitation shall commence to run, and any alleged cause of action shall be deemed to have accrued, not later than such date of Provisional Acceptance.

14.6.2. between Provisional Acceptance and Final Payment Certificate. As to acts or failures to act occurring or being discovered subsequent to the relevant date of Provisional Acceptance and prior to issuance of the final Payment Certificate, the above statute of limitation shall commence to run, and any alleged cause of action shall be deemed to have accrued, not later than the date of issuance of the Certificate of Final Acceptance of the Works.

14.6.3. after Final Acceptance and final Certificate for Payment. As to acts or failures to act occurring or being discovered after the relevant date of issuance of the Certificate for Final Acceptance, the above statute of limitation shall commence to run, and any alleged cause of action shall be deemed to have accrued, not later than the date of any act or failure to act by the Contractor pursuant to any warranty provided under Paragraph 3.5, the date of any correction of the Works or failure to correct the Works by Contractor under Paragraph 3.5, the date of any correction of the Works or failure to correct the Works by the Contractor under Paragraph 13.2, or the date of actual commission of any other act or failure to perform any duty or obligation by the Contractor or the ILO, whichever occurs last.

14.6.4. Reasonable Discovery. As to all acts and failures to act occurring at any time during or after execution of the Contract as specified in Paragraphs 14.6.1 through 14.6.3 above, any applicable statute of limitations shall commence to run and any alleged cause of action shall be deemed to have accrued when such act or failure to act is actually discovered by the aggrieved party, or should have been discovered through its reasonable diligence.

14.7. Advertising Award

The Contractor may neither disclose the terms and conditions of the Contract nor make public the fact that it is a Contractor to the ILO. The Contractor agrees not to refer to the award of the Contract between the Contractor and the ILO, or any aspects thereof, in commercial advertising in such a manner as to state or imply that the product or service provided is endorsed or preferred by the ILO or is considered by the ILO to be superior to other products or services. Furthermore, the Contractor shall obtain the prior and express written consent of the ILO before using ILO's name or logo for any purpose.

14.8. Contractor's Personnel

14.8.1. The Contractor recognizes that ILO's premises are public international organization property. In the event of demonstrable poor performance or misconduct by any of the Contractor's personnel, if the ILO so decides, after consultation with the Contractor, the Contractor shall dismiss

and provide an appropriate replacement or replacements for such personnel within ten (10) working days or within a period as mutually agreed.

14.8.2. The Contractor agrees to use commercially reasonable efforts to ensure that personnel performing Works under the Contract are not related by blood or marriage to any active ILO staff member, contractual employee, or individual independent contractor within and including the fourth degree of consanguinity and the second degree of affinity, or subject to any work restrictions by virtue of former employment by the ILO. For purposes of this Paragraph 14.8.2, the phrase "within and including the fourth degree of consanguinity and second degree of affinity" shall mean a spouse, mother, father, brother, sister, child, uncle, aunt, nephew, niece, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparent, grandchild, first cousin, step-parent, step-child, step-brother, step-sister, parent-in-law, grandparent-in-law, spouse of brothers-in-law, spouse of sister-in-law, great-grandchild, great-uncle, great-aunt, great-nephew, great-niece, or great-grandparent. If it becomes known that any of the Contractor's personnel is performing the Works in violation of this Paragraph 14.8.2, the Contractor shall promptly remove, dismiss and replace such person with another person having equivalent skills at no additional cost to the ILO.

14.9. Severability

If any provision of this Contract is declared invalid by the arbitral tribunal designated by the parties the remaining provisions shall not be affected thereby and shall remain in full force and effect.

14.10. Relationship of Parties

Nothing contained in this Contract between the Contractor and the ILO shall establish or create any relationship of master and servant or principal and agent between the Contractor and the ILO, it being agreed that the position of the Contractor and of anyone else performing any service under the Contract is that of an independent contractor.

14.11. Confidential Information

14.11.1. The Contractor and its agents are aware that in discharging their obligations pursuant to the Contract, they may have access to privileged and confidential information of the ILO. Under no circumstances shall the Contractor or its agents disclose to any person or organization, in any manner or form, now or after the expiration of this Contract, such information or any part thereof, unless such information has already been made public with the authorization of the ILO. The Contractor shall not use such information for private advantage or in any manner prejudicial to or incompatible with the interests of the ILO. Furthermore, The Contractor will limit access to Personnel to such Confidential Information on a "need to know" basis, i.e. only to the extent necessary for the purpose of performing their obligations under the Contract. However, there shall be no obligation of confidentiality or restriction on use, where:

a) the information is publicly available, or becomes publicly available, other than by an action or omission of the Contractor, or

b) the information was already known to the Contractor prior the execution of the Contract; or

c) the information was received by the Contractor from a third party not in breach of an obligation of confidentiality; or

d) the information is to be provided to another entity which is a United Nations agency or belongs to the United Nations System.

14.11.2. Both parties shall treat the details of the Contract as private and confidential, except to the extent necessary to carry out obligations under it or to comply with law. The Contractor shall not publish, permit to be published, or disclose any particulars of the Works without written consent of the ILO. The Contractor shall not be required to disclose to the ILO any information which the Contractor described in its proposal as being confidential. The Contractor shall disclose any other information which the ILO may reasonably require in order to verify Contractor's compliance with the Contract.

14.12. Labour Principles

The Contractor undertakes to respect, at all times and in all circumstances relevant to the performance of the Contract and in relation to all its agents and employees, and to ensure that its subcontractors respect:

14.12.1. The following principles concerning international labour standards of the ILO:

a) the freely-exercised right of workers, without distinction, to organize, further and defend their interests and to bargain collectively, as well as the protection of those workers from any action or other form of discrimination related to the exercise of their right to organize, to carry out trade union activities and to bargain collectively;

b) the prohibition of forced or compulsory labour in all its forms;

c) equal remuneration for men and women for work of equal value;

d) equality of opportunity and treatment in respect of employment and occupation without discrimination on grounds of race, colour, sex, religion, political opinion, national extraction or social origin and such other ground as may be recognized under the national law of the country or countries where the performance, in whole or in part, of the Contract takes place;

e) the prohibition of the employment of children below fourteen (14) years of age or, if higher than fourteen (14), the minimum age of employment permitted by the law of the country or countries where the performance, in whole or in part, of the Contract takes place, or the age of the end of compulsory schooling in that country or countries, whichever is higher;

f) the prohibition of the employment of persons under the age of eighteen (18) for work that, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of such persons;

g) the payment of wages in legal tender, at regular intervals no longer than one month, in full and directly to the workers concerned. The Contractor shall keep an appropriate record of such payments. Deductions from wages are permitted only under conditions and to the extent prescribed by the applicable law, regulations or collective agreement, and the workers concerned must be informed of such deductions at the time of each payment.

h) the provision of wages, hours of work and other conditions of work not less favourable than the best conditions prevailing locally (i.e., as contained in: (i) collective agreements covering a substantial proportion of employers and workers; (ii) arbitration awards; or, (iii) applicable laws or regulations, whichever offers the best working conditions), for work of the same character performed in the trade or industry concerned in the area where work is carried out;

i) the need to ensure, so far as is reasonably practicable, that the workplaces, machinery, equipment and processes under their control are safe and without risk to health, and that the chemical, physical and biological substances and agents under their control are without risk to health when the appropriate measures of protection are taken; and provide, where necessary, adequate protective clothing and protective equipment to prevent, so far as is reasonably practicable, risk of accidents or of adverse effects to health; and

14.12.2. All applicable laws or regulations concerning terms of employment and conditions of work, any collective agreements to which it is party, or any other related measure with which it must comply.

14.13. Building Maintenance

At the end of the Project, the Contractor shall provide the ILO the Building use manual with information on the performance of the building and the Maintenance plan manual of the buildings containing indications on the necessary measures to be taken for a corrective and preventive maintenance of the building.

15. ESCALATION PROCESS

15.1. 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 identified in Article 13 of the Contract.

15.2. Issues regarding the Contractor's performance and quality of the deliverables will be dealt with by the Escalation Process outlined above in the first instance. Should the Contractor fail to rectify any performance issues within the stipulated period above (or within a period as mutually agreed by the parties), the ILO may terminate the Contract immediately by written notice.

15.3. Any disagreement between the parties on what should be the most appropriate resolution to a Force Majeure event as stated in Paragraph 9.1.3, shall be referred to arbitration under Paragraph 4.5 without going thought the above escalation process.

16. TERMINATION OR SUSPENSION OF THE CONTRACT

16.1. Termination by the Contractor

16.1.1. The Contractor may, in accordance with the provisions of this Paragraph 16, terminate the Contract if the Works is stopped for a period beyond sixty (60) consecutive days through no act or fault of Contractor or a subcontractor or their agents or employees or any other persons performing portions of the Works under Contract with the Contractor, for any of the following reasons:

a) issuance of an arbitral decision terminating the Contract;
b) an act of government, such as a declaration of national emergency, making material unavailable; or
c) failure of the ILO to make payments, which are due under the Contract and the ILO has not provided to the Contractor the reason for withholding payment as provided in Paragraph 10.4.1.

If one of the above reasons exists, the Contractor may, upon fifteen (15) additional days' written notice to the ILO, terminate the Contract and recover from the ILO payment for the portion of the Works completed through the date of termination in accordance with the schedule for payment and fees, plus the Contractor's reasonable costs of demobilization and termination of Subcontracts.

16.1.2. In the event that the Contractor elects to terminate the Contract pursuant to Paragraphs 16.1.1, the ILO shall have the right to require the Contractor to complete the Works by sending written notice to the Contractor, prior to the expiration of fifteen (15) days from the date the Contractor gives notice of termination, that the ILO agrees to increase the Price(s) by an amount equal to the additional cost, which the Contractor may incur by reason of the stoppage of the Works

after the aforesaid sixty (60) day period. If the ILO gives the Contractor notice under this Paragraph 16.1.2, Contractor's termination shall be rescinded and an appropriate Variance shall be entered.

16.2. Termination by the ILO

16.2.1. The ILO may terminate the Contract if the Contractor:

a) abandons the Works or otherwise it is demonstrated that the Contractor does not intend to continue performance of the Contract;
b) subcontracts the whole of the Works or assigns the Contract without the required agreement by the ILO;
c) refuses or fails to supply enough properly skilled workers or proper materials;
d) fails to make payment to subcontractors for materials or labour in accordance with the respective agreements between the Contractor and the subcontractors;
e) disregards Laws applicable to Contractor's activities or the Works;
f) is reasonably believed by the ILO to be unable to complete the Works for the unpaid balance of the Price(s) or to pay the entire cost in excess of the Price(s), or to be unable to achieve Provisional Acceptance within the Time for Completion;
g) becomes bankrupt or insolvent, goes into liquidation, has a receiving or administration order made against it, compounds with its creditors, or carries on business under a receiver, trustee or manager for the benefit of its creditors, or if any act is done or event occurs which (under applicable Laws) has a similar effect to any of these acts or events; or
h) Contractor's personnel, agents or subcontractors, is reasonably believed by the ILO to have engaged in any Proscribed Practice:

i. for doing or forbearing to do any action in relation to the Contract; or,
ii. for showing or forbearing to show favor or disfavor to any person in relation to the Contract;

i) the Contractor's personnel, agents or subcontractors has been given notice of non-compliance with any other requirement of the Contract and has failed to remedy such non-compliance to the ILO's satisfaction within the time for cure set forth in the notice, which shall be a reasonable time not to exceed fourteen (14) days after receipt such notice;
j) is declared undesirable by the government where the Contractor is to perform any of its obligations under the Contract;
k) is the subject of any sanction or temporary suspension imposed by any organization within the United Nations System including the World Bank; or
l) the ILO's activities are curtailed or terminated.

16.2.2. When any of the above reasons exist, the ILO may without prejudice to any other rights or remedies of the ILO and after giving the Contractor seven (7) day's written notice, terminate employment of the Contractor and may, at ILO's discretion and subject to any prior rights of any surety:

a) take possession of the site and of all goods, documents, materials, equipment, submittals, design documents, tools and machinery thereon owned by the Contractor;
b) accept assignment of subcontracts pursuant to Paragraph 5.4; and,
c) complete the Works by whatever reasonable method the ILO may deem expedient.

The ILO shall endeavor to provide a copy of such notice of termination to the Contractor's surety; provided, however, that any failure of the ILO to inform any surety of termination shall not diminish ILO's rights under Paragraph 14.

16.2.3. When the ILO terminates the Contract for one of the reasons stated in Paragraph 16.2.1, the Contractor shall not be entitled to receive further payment until the Works is finished. The ILO shall then inform the Contractor that any of Contractor's goods, materials, equipment, tools and machinery of which the ILO has taken possession pursuant to Paragraph 16.2.2 will be released to the Contractor at or near the Site. The Contractor shall promptly arrange their removal, at the risk and cost of the Contractor. The Contractor shall take all measures needed in order to ensure that any materials and/or equipment not owned by the Contractor are not disturbed or removed.

16.2.4. If the cost of completing the Works, including compensation for Project Manager's and consultant's services and expenses made necessary thereby, exceed the unpaid balance of the Price(s), the Contractor shall pay the difference to the ILO. This payment obligation shall survive termination of the Contract. The ILO's remedies under the Contract, the Advance Payment Security, the Performance Security and the Warranty Security may be cumulative. At ILO's discretion, the ILO may seek relief and recover from Contractor and any or all of its sureties provided only that the ILO's aggregate recovery shall not be greater than the aggregate amount of the ILO's losses, costs and expenses.

16.2.5. In addition to the ILO's rights under Paragraph 16.2.1, the ILO shall have the right to terminate the Works at any time, without cause and at its sole discretion, in which event the Contractor shall be paid, in lieu of all other compensation, for the portion of the Works completed through the date of termination in accordance with the schedule for payment and fees, plus the Contractor's reasonable costs of demobilization and termination of subcontracts.

16.3. Suspension by the ILO for Convenience

16.3.1. The ILO may, without cause, order the Contractor in writing to suspend, delay or interrupt the Works in whole or in part for such period of time as the ILO may determine. During such suspension, the Contractor shall protect, store and secure such part or the Works against any deterioration, loss or damage.

16.3.2. If the ILO exercises its right under Paragraph 16.3.1, a Variance shall be issued adjusting the Price(s) for increases in the cost of performance of the Contract caused by ILO's suspension, delay or interruption. No adjustment shall be made to the extent that performance is, was or would have been suspended, delayed or interrupted by another cause for which the Contractor is responsible.

16.3.3. Adjustments in the cost of performance shall be made by Variance in accordance with the provisions of Paragraph 7. The Contractor shall not be entitled to an extension of the Time for Completion or increase in the Price(s) for consequences of Contractor's faulty workmanship or materials, or of the Contractor's failure to protect, store or secure in accordance with Paragraph 16.3.1.

16.3.4. After the permission or instruction to proceed is given, the Contractor and the Project Manager shall jointly examine the Works and the materials affected by the suspension. The Contractor shall make good any deterioration or defect in or loss of the Works or materials, which has occurred during the suspension after receiving from the ILO an instruction to this effect.

ANNEX IV: SCOPE OF WORK

The overall purpose of this assignment is to implement the Employment Services Building in Basra City according to the tender documents and technical specifications, and in coordination with the Directorate of Labour and Social Affairs in Basra.
The statement of works and quantities are detailed at ***the Bills of Quantities*** attached to the Contract.

1. The Contractor is responsible for the execution of the whole of the Works as defined in the Contract documents.
2. The Contractor is responsible for setting out the whole of the Works according to the Drawings, Specifications and Instructions of the Engineer.
3. The Contractor is responsible for the supply of all materials, labour, tools and equipment and every other thing of whatsoever nature required for the correct and proper execution of the Works and no act before or after the making of the Contract shall in any way serve to alter or reduce or negate this liability.
4. Throughout the period of the execution of the Works, testing and quality checking will be carried out in accordance with the Specifications.
5. No work may be covered up and no materials shall be incorporated into the Works until tested, inspected and approved to the satisfaction of the Engineer in accordance with the Specifications.
6. The Contractor is responsible for the safety of the Works and the safety and health of the workforce.
7. The Contractor is responsible for the safety of all members of the public and third parties who may have access to the site. He/ She shall provide adequate warning signs, notices, barriers, fences and any other necessary measures to ensure the safety of the public at all times during the course of the Works.
8. The Contractor is responsible for the maintenance of the Works until the end of the warranty period, if any, in accordance with the Specifications.
9. Before vacating the site, the Contractor shall keep all sections of the Works neat and tidy. This also applies to adhering to environmental preservation requirements as specified in the Conditions of Contract.

240110 Invitation to Bid - Construction VTC Basra

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