

STANDARD REQUEST FOR PROPOSALS

Selection of Consultants

including Standard and Sample Contracts for

Consultants' Services: Complex Time-Based Assignments

Consultants' Services: Lump-Sum Remuneration

and

Small Assignments: Time-Based Payments

Small Assignments: Lump-Sum Payments



**The World Bank
Washington, D.C.**

July 1997

Revised April 1998 and July 1999

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Preface

1. This document constitutes the World Bank's Standard Request for Proposals (SRFP). As outlined in the World Bank's *Guidelines--Selection and Employment of Consultants by World Bank Borrowers, January 1997, revised September 1997* (the Guidelines), this document must be used whenever possible in the selection of Consultants. The SRFP can be used with the different selection methods described in the Guidelines, i.e., quality- and cost-based selection (QCBS), quality-based selection (QBS), selection under a fixed budget, least-cost selection, selection based on Consultant's qualifications, and single-source selection.
2. The use of SRFP is mandatory for contracts estimated to cost more than \$200,000 U.S. equivalent. Borrowers and implementing agencies of Bank-financed projects are encouraged to also use this SRFP for contracts costing \$200,000 or less U.S. equivalent.
3. Before preparing an RFP, the user must be familiar with the Guidelines, must have chosen a method of selection and the most suitable contract form. The SRFP includes two standard forms of contract: one for complex time-based consultant assignments and the other for assignments remunerated on a lump-sum basis. The prefaces of these two contracts indicate the circumstances in which their use is most appropriate. This SRFP also includes samples of contracts that may be used for smaller contracts (\$200,000 or less U.S. equivalent) under time-based or lump-sum remuneration.
4. An RFP includes a standard Letter of Invitation, standard Information to Consultants, Terms of Reference, and a standard Form of Contract. The standard Information to Consultants and the standard General Conditions of Contract may not be modified under any circumstances. However, the Data Sheet and the Special Conditions of Contract may be used to reflect country and assignment conditions.

REQUEST FOR PROPOSALS
RFP # [insert: RFP number]

Country [insert: name of country]

Project Name [insert: project name]

Loan/Credit # [insert: loan/credit number]

Title of Consulting Services [insert: title]

Section 1. Letter of Invitation

[insert: Location and Date]

Dear [insert: Name of Consultant]:

1. The [insert: Name of Borrower] [select: has received or has applied for] a [select: loan or credit] (hereinafter called “loan”) from the [select: International Bank for Reconstruction and Development (IBRD) or International Development Association (IDA)] toward the cost of [insert: Name of Project] and intends to apply a portion of this loan to eligible payments under this Contract.

2. The [insert: Name of Client] now invites proposals to provide the following consulting services: [insert: short description of objectives and scope of the assignment]. More details on the services are provided in the attached Terms of Reference.

3. The RFP has been addressed to the following shortlisted consultants:

[insert: List of Shortlisted Consultants]

4. A firm will be selected under [insert: Selection Method]¹ and procedures described in this RFP.

5. The RFP includes the following documents:

Section 1 - Letter of Invitation

Section 2 - Information to Consultants

Section 3 - Technical Proposal - Standard Forms

Section 4 - Financial Proposal - Standard Forms

Section 5 - Terms of Reference

Section 6 - Standard Forms of Contract.

6. Please inform us, upon receipt:

¹ Indicate the appropriate method to be used: Quality- and Cost-Based Selection (QCBS), Quality-Based Selection (QBS), Fixed-Budget Selection, Least-Cost Selection, Selection Based on Qualifications, or Single-Source Selection.

- (a) that you received the letter of invitation; and
- (b) whether you will submit a proposal alone or in association.

Yours sincerely,

[insert: Signature, name, and title of Client's representative]

Section 2. Information to Consultants²

- 1. Introduction**
- 1.1 The Client named in the Data Sheet will select a firm among those listed in the Letter of Invitation, in accordance with the method of selection specified in the Data Sheet and detailed in the edition of the Guidelines indicated in the Data Sheet.
 - 1.2 The consultants are invited to submit a Technical Proposal and a financial proposal, or a Technical Proposal only, as specified in the Data Sheet for consulting services required for the assignment named in the Data Sheet. The proposal will be the basis for contract negotiations and ultimately for a signed contract with the selected firm.
 - 1.3 The assignment shall be implemented in accordance with the phasing indicated in the Data Sheet. When the assignment includes several phases, the performance of the consultant under each phase must be to the Client's satisfaction before work begins on the next phase.
 - 1.4 The consultants must familiarize themselves with local conditions and take them into account in preparing their proposals. To obtain firsthand information on the assignment and on the local conditions, consultants are encouraged to visit the Client before submitting a proposal and to attend a pre-proposal conference if one is specified in the Data Sheet. Attending the pre-proposal conference is optional. The consultants' representative should contact the officials named in the Data Sheet to arrange for their visit or to obtain additional information on the pre-proposal conference. Consultants should ensure that these officials are advised of the visit in adequate time to allow them to make appropriate arrangements.
 - 1.5 The Client will provide the inputs specified in the Data Sheet, assist the firm in obtaining licenses and permits needed to carry out the services, and make available relevant project data and

² This Information to Consultants section shall not be modified. Any necessary changes, acceptable to the Bank, to address specific country and project issues, shall be introduced only through the Data Sheet (e.g., by adding new clauses). Likewise, modifications to the standard Form of Contract should be made only by including clauses outlining the special conditions and not by introducing changes in the wording of the general conditions.

reports.

1.6 Please note that (i) the costs of preparing the proposal and of negotiating the contract, including a visit to the Client, are not reimbursable as a direct cost of the assignment; and (ii) the Client is not bound to accept any of the proposals submitted.

1.7 Bank policy requires that consultants provide professional, objective, and impartial advice and at all times hold the Client's interests paramount, without any consideration for future work, and strictly avoid conflicts with other assignments or their own corporate interests. Consultants shall not be hired for any assignment that would be in conflict with their prior or current obligations to other clients, or that may place them in a position of not being able to carry out the assignment in the best interest of the Client.

1.7.1 Without limitation on the generality of this rule, consultants shall not be hired under the circumstances set forth below:

(a) A firm which has been engaged by the Client to provide goods or works for a project, and any of their affiliates, shall be disqualified from providing consulting services for the same project. Conversely, firms hired to provide consulting services for the preparation or implementation of a project, and any of their affiliates, shall be disqualified from subsequently providing goods or works or services related to the initial assignment (other than a continuation of the firm's earlier consulting services) for the same project.

(b) Consultants or any of their affiliates shall not be hired for any assignment which, by its nature, may be in conflict with another assignment of the consultants.

1.7.2 As pointed out in para. 1.7.1 (a) above, consultants may be hired for downstream work, when continuity is essential, in which case this possibility shall be indicated in the Data Sheet and the factors used for the selection of the consultant should take the likelihood of

continuation into account. It will be the exclusive decision of the Client whether or not to have the downstream assignment carried out, and if it is carried out, which consultant will be hired for the purpose.

- 1.7.3 Any previous or ongoing participation in relation to the assignment by the firm, its professional staff, or its affiliates or associates under a contract with the World Bank may result in rejection of the proposal. Consultants should clarify their situation in that respect with the Client before preparing the proposal.

1.8 It is the Bank's policy to require that borrowers (including beneficiaries of Bank loans), as well as consultants under Bank-financed contracts, observe the highest standard of ethics during the selection and execution of such contracts. In pursuance of this policy, the Bank:

- (a) defines, for the purposes of this provision, the terms set forth below as follows:
 - (i) "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the selection process or in contract execution; and
 - (ii) "fraudulent practice" means a misrepresentation of facts in order to influence a selection process or the execution of a contract to the detriment of the borrower, and includes collusive practices among consultants (prior to or after submission of proposals) designed to establish prices at artificial, noncompetitive levels and to deprive the borrower of the benefits of free and open competition.
- (b) will reject a proposal for award if it determines that the firm recommended for award has engaged in corrupt or fraudulent activities in competing for the contract in question;
- (c) will cancel the portion of the loan allocated to the firm's contract if it at any time determines that corrupt or fraudulent practices were engaged in by representatives

of the borrower or of a beneficiary of the loan during the selection process or the execution of that contract, without the borrower having taken timely and appropriate action satisfactory to the Bank to remedy the situation;

- (d) will declare a firm ineligible, either indefinitely or for a stated period of time, to be awarded a Bank-financed contract if it at any time determines that the firm has engaged in corrupt or fraudulent practices in competing for, or in executing, a Bank-financed contract; and
- (e) will have the right to require that, in contracts financed by a Bank loan, a provision be included requiring consultants to permit the Bank to inspect their accounts and records relating to the performance of the contract and to have them audited by auditors appointed by the Bank.

1.9 Consultants shall not be under a declaration of ineligibility for corrupt and fraudulent practices issued by the Bank in accordance with the above sub para. 1.8 (d).

1.10 Consultants shall furnish information as described in the Financial Proposal submission form (Section 4A) on commissions and gratuities, if any, paid or to be paid to agents relating to this proposal, and to execute the work if the firm is awarded the contract.

1.11 Consultants shall be aware of the provisions on fraud and corruption stated in the Standard Contract under the clauses indicated in the Data Sheet.

**2. Clarification
and
Amendment of
RFP Documents**

2.1 Consultants may request a clarification of any of the RFP documents up to the number of days indicated in the Data Sheet before the proposal submission date. Any request for clarification must be sent in writing by papermail, cable, telex, facsimile, or electronic mail to the Client's address indicated in the Data Sheet. The Client will respond by cable, telex, facsimile, or electronic mail to such requests and will send written copies of the response (including an explanation of the query but without identifying the source of inquiry) to all invited consultants who intend to submit proposals.

2.2 At any time before the submission of proposals, the Client may,

for any reason, whether at its own initiative or in response to a clarification requested by an invited firm, amend the RFP. Any amendment shall be issued in writing through addenda. Addenda shall be sent by mail, cable, telex, facsimile, or electronic mail to all invited consultants and will be binding on them. The Client may at its discretion extend the deadline for the submission of proposals.

- 3. Preparation of Proposal**
- 3.1 Consultants are requested to submit a proposal (para. 1.2) written in the language(s) specified in the Data Sheet.
- Technical Proposal**
- 3.2 In preparing the Technical Proposal, consultants are expected to examine the documents constituting this RFP in detail. Material deficiencies in providing the information requested may result in rejection of a proposal.
- 3.3 While preparing the Technical Proposal, consultants must give particular attention to the following:
- (i) If a consultant considers that it does not have all the expertise for the assignment, it may obtain a full range of expertise by associating with individual consultant(s) and/or other consultants or entities in a joint venture or subconsultancy, as appropriate. Consultants may associate with the other consultants invited for this assignment only with approval of the Client as indicated in the Data Sheet. Consultants must obtain the approval of the Client to enter into a joint venture with consultants not invited for this assignment. The consultants are encouraged to seek the participation of local consultants by entering into a joint venture with, or subcontracting part of the assignment to, national consultants.
 - (ii) For assignments on a staff-time basis, the estimated number of professional staff-months is given in the Data Sheet. The proposal shall, however, be based on the number of professional staff-months estimated by the firm. For fixed-budget-based assignments, the available budget is given in the Data Sheet, and the Financial Proposal shall not exceed this budget.
 - (iii) It is desirable that the majority of the key professional staff

proposed be permanent employees of the firm or have an extended and stable working relationship with it.

- (iv) Proposed professional staff must, at a minimum, have the experience indicated in the Data Sheet, preferably working under conditions similar to those prevailing in the country of the assignment.
- (v) Alternative professional staff shall not be proposed, and only one curriculum vitae (CV) may be submitted for each position.
- (vi) Reports to be issued by the consultants as part of this assignment must be in the language(s) specified in the Data Sheet. It is desirable that the firm's personnel have a working knowledge of the Client's national language.

3.4 The Technical Proposal shall provide the following information using the attached Standard Forms (Section 3):

- (i) A brief description of the firm's organization and an outline of recent experience on assignments (Section 3B) of a similar nature. For each assignment, the outline should indicate, *inter alia*, the profiles of the staff proposed, duration of the assignment, contract amount, and firm's involvement.
- (ii) Any comments or suggestions on the Terms of Reference and on the data, a list of services, and facilities to be provided by the Client (Section 3C).
- (iii) A description of the methodology and work plan for performing the assignment (Section 3D).
- (iv) The list of the proposed staff team by specialty, the tasks that would be assigned to each staff team member, and their timing (Section 3E).
- (v) CVs recently signed by the proposed professional staff and the authorized representative submitting the proposal (Section 3F). Key information should include number of years working for the firm/entity and degree of responsibility held in various assignments during the last ten (10) years.

- (vi) Estimates of the total staff input (professional and support staff; staff time) needed to carry out the assignment, supported by bar chart diagrams showing the time proposed for each professional staff team member (Sections 3E and 3G).
- (vii) A detailed description of the proposed methodology, staffing, and monitoring of training, if the Data Sheet specifies training as a major component of the assignment.
- (viii) Any additional information requested in the Data Sheet.

3.5 The Technical Proposal shall not include any financial information.

**Financial
Proposal**

3.6 In preparing the Financial Proposal, consultants are expected to take into account the requirements and conditions outlined in the RFP documents. The Financial Proposal should follow Standard Forms (Section 4). It lists all costs associated with the assignment, including (a) remuneration for staff (foreign and local, in the field and at headquarters), and (b) reimbursable expenses such as subsistence (per diem, housing), transportation (international and local, for mobilization and demobilization), services and equipment (vehicles, office equipment, furniture, and supplies), office rent, insurance, printing of documents, surveys, and training, if it is a major component of the assignment. If appropriate, these costs should be broken down by activity and, if appropriate, into foreign and local expenditures.

3.7 The Financial Proposal should clearly estimate, as a separate amount, the local taxes (including social security), duties, fees, levies, and other charges imposed under the applicable law, on the consultants, the subconsultants, and their personnel (other than nationals or permanent residents of the government's country), unless the Data Sheet specifies otherwise.

3.8 Consultants may express the price of their services in the currency of any Bank member country or in the European Currency Unit. The consultants may not use more than three foreign currencies. The Client may require consultants to state the portion of their price representing local cost in the national

currency if so indicated in the Data Sheet.

- 3.9 Commissions and gratuities, if any, paid or to be paid by consultants and related to the assignment will be listed in the Financial Proposal submission form (Section 4A).
- 3.10 The Data Sheet indicates how long the proposals must remain valid after the submission date. During this period, the consultant is expected to keep available the professional staff proposed for the assignment. The Client will make its best effort to complete negotiations within this period. If the Client wishes to extend the validity period of the proposals, the consultants who do not agree have the right not to extend the validity of their proposals.

**4. Submission,
Receipt, and
Opening of
Proposals**

- 4.1 The original proposal (Technical Proposal and, if required, Financial Proposal; see para. 1.2) shall be prepared in indelible ink. It shall contain no interlineation or overwriting, except as necessary to correct errors made by the firm itself. Any such corrections must be initialed by the persons or person who sign(s) the proposals.
- 4.2 An authorized representative of the firm initials all pages of the proposal. The representative's authorization is confirmed by a written power of attorney accompanying the proposal.
- 4.3 For each proposal, the consultants shall prepare the number of copies indicated in the Data Sheet. Each Technical Proposal and Financial Proposal shall be marked "ORIGINAL" or "COPY" as appropriate. If there are any discrepancies between the original and the copies of the proposal, the original governs.
- 4.4 The original and all copies of the Technical Proposal shall be placed in a sealed envelope clearly marked "Technical Proposal," and the original and all copies of the Financial Proposal in a sealed envelope clearly marked "FINANCIAL PROPOSAL" and warning: "DO NOT OPEN WITH THE TECHNICAL PROPOSAL." Both envelopes shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address and other information indicated in the Data Sheet and be clearly marked, "DO NOT OPEN, EXCEPT IN PRESENCE OF THE EVALUATION COMMITTEE."
- 4.5 The completed Technical and Financial Proposals must be

delivered at the submission address on or before the time and date stated in the Data Sheet. Any proposal received after the closing time for submission of proposals shall be returned unopened.

- 4.6 After the deadline for submission of proposals, the Technical Proposal shall be opened immediately by the evaluation committee. The Financial Proposal shall remain sealed and deposited with a respectable public auditor or independent authority until all submitted proposals are opened publicly.

5. Proposal Evaluation

General

- 5.1 From the time the bids are opened to the time the contract is awarded, if any consultant wishes to contact the Client on any matter related to its proposal, it should do so in writing at the address indicated in the Data Sheet. Any effort by the firm to influence the Client in the Client's proposal evaluation, proposal comparison or contract award decisions may result in the rejection of the consultant's proposal.
- 5.2 Evaluators of Technical Proposals shall have no access to the Financial Proposals until the technical evaluation, including any Bank reviews and issuance of a "no objection" letter, is concluded.

Evaluation of Technical Proposals

- 5.3 The evaluation committee, appointed by the Client as a whole, and each of its members individually, evaluates the proposals on the basis of their responsiveness to the Terms of Reference, applying the evaluation criteria, subcriteria (typically not more than three per criteria), and point system specified in the Data Sheet. Each responsive proposal will be given a technical score (St). A proposal shall be rejected at this stage if it does not respond to important aspects of the Terms of Reference or if it fails to achieve the minimum technical score indicated in the Data Sheet.
- 5.4 In the case of Quality-Based Selection, Selection Based on Consultant's Qualifications, and Single-Source Selection, the highest ranked firm or firm selected on a single-source basis is invited to negotiate its proposal and the contract on the basis of the Technical Proposal and the Financial Proposal submitted in accordance with the instructions given in para. 1.2 and the Data

Sheet.

- Public Opening and Evaluation of Financial Proposals: Ranking (QCBS, Fixed-Budget, and Least-Cost Selection Methods Only)**
- 5.5 After the evaluation of quality is completed, the Client shall notify those consultants whose proposals did not meet the minimum qualifying mark or were considered nonresponsive to the RFP and Terms of Reference, indicating that their Financial Proposals will be returned unopened after completing the selection process. The Client shall simultaneously notify the consultants that have secured the minimum qualifying mark, indicating the date and time set for opening the Financial Proposals. The opening date shall not be sooner than two weeks after the notification date. The notification may be sent by registered letter, cable, telex, facsimile, or electronic mail.
- 5.6 The Financial Proposals shall be opened publicly in the presence of the consultants' representatives who choose to attend. The name of the consultant, the quality scores, and the proposed prices shall be read aloud and recorded when the Financial Proposals are opened. The Client shall prepare minutes of the public opening.
- 5.7 The evaluation committee will determine whether the Financial Proposals are complete (i.e., whether they have costed all items of the corresponding Technical Proposals; if not, the Client will cost them and add their cost to the initial price), correct any computational errors, and convert prices in various currencies to the single currency specified in the Data Sheet. The official selling rates used, provided by the source indicated in the Data Sheet, will be those in effect on the date indicated in the Data Sheet. The evaluation shall exclude those taxes, duties, fees, levies, and other charges imposed under the applicable law; and to be applied to foreign and non-permanent resident consultants (and to be paid under the contract, unless the consultant is exempted), and estimated as per para. 3.7.
- 5.8 In case of QCBS, the lowest Financial Proposal (F_m) will be given a financial score (S_f) of 100 points. The financial scores (S_f) of the other Financial Proposals will be computed as indicated in the Data Sheet. Proposals will be ranked according to their combined technical (S_t) and financial (S_f) scores using the weights (T = the weight given to the Technical Proposal; P = the weight given to the Financial Proposal; $T + P = 1$) indicated in the Data Sheet: $S = S_t \times T\% + S_f \times P\%$. The firm achieving the highest

combined technical and financial score will be invited for negotiations.

- 5.9. In the case of Fixed-Budget Selection, the Client will select the firm that submitted the highest ranked Technical Proposal within the budget (“evaluated” price). Proposals that exceed the indicated budget will be rejected. In the case of the Least-Cost Selection, the Client will select the lowest proposal (“evaluated” price) among those that passed the minimum technical score. In both cases the selected firm is invited for negotiations.

6. Negotiations

- 6.1 Negotiations will be held at the address indicated in the Data Sheet. The aim is to reach agreement on all points and sign a contract.
- 6.2 Negotiations will include a discussion of the Technical Proposal, the proposed methodology (work plan), staffing and any suggestions made by the firm to improve the Terms of Reference. The Client and firm will then work out final Terms of Reference, staffing, and bar charts indicating activities, staff, periods in the field and in the home office, staff-months, logistics, and reporting. The agreed work plan and final Terms of Reference will then be incorporated in the “Description of Services” and form part of the contract. Special attention will be paid to getting the most the firm can offer within the available budget and to clearly defining the inputs required from the Client to ensure satisfactory implementation of the assignment.
- 6.3 The financial negotiations will include a clarification (if any) of the firm’s tax liability in the Client’s country, and the manner in which it will be reflected in the contract; and will reflect the agreed technical modifications in the cost of the services. Unless there are exceptional reasons, the financial negotiations will involve neither the remuneration rates for staff (no breakdown of fees) nor other proposed unit rates in the cases of QCBS, Fixed-Budget Selection, and the Least-Cost Selection methods. For other methods, the firm will provide consultants with the information on remuneration rates described in the Appendix to this information.
- 6.4 Having selected the firm on the basis of, among other things, an evaluation of proposed key professional staff, the Client expects to negotiate a contract on the basis of the experts

named in the proposal. Before contract negotiations, the Client will require assurances that the experts will be actually available. The Client will not consider substitutions during contract negotiations unless both parties agree that undue delay in the selection process makes such substitution unavoidable or that such changes are critical to meet the objectives of the assignment. If this is not the case and if it is established that key staff were offered in the proposal without confirming their availability, the firm may be disqualified.

6.5 The negotiations will conclude with a review of the draft form of the contract. To complete negotiations the Client and the firm will initial the agreed contract. If negotiations fail, the Client will invite the firm whose proposal received the second highest score to negotiate a Contract.

7. Award of Contract

7.1 The contract will be awarded following negotiations. After negotiations are completed, the Client will promptly notify other consultants on the shortlist that they were unsuccessful and return the unopened Financial Proposals of those consultants who did not pass the technical evaluation (para. 5.3).

7.2 The firm is expected to commence the assignment on the date and at the location specified in the Data Sheet.

8. Confidentiality

8.1 Information relating to evaluation of proposals and recommendations concerning awards shall not be disclosed to the consultants who submitted the proposals or to other persons not officially concerned with the process, until the winning firm has been notified that it has been awarded the contract.

Information to Consultants

DATA SHEET

Clause Reference

1.1 The name of the Client is: _____

The method of selection is: _____

The Edition of the Guidelines is: _____

1.2 Technical and Financial Proposals are requested: Yes ___ No ___
A Technical Proposal only is requested: Yes ___ No ___

The name, objectives, and description of the assignment are: _____

1.3 The assignment is phased: Yes _____ No _____ [*If yes, indicate the phasing*] _____

1.4 A pre-proposal conference will be held: Yes ___ No ___ [*If yes, indicate date, time, and venue*] _____

The name(s), address(es), and telephone numbers of the Client's official(s) are: _____

1.5 The Client will provide the following inputs: _____

- 1.7.2 The Client envisages the need for continuity for downstream work: Yes ___
No ___ [*If yes, outline in the Terms of Reference the scope, nature, and timing of future work and indicate here the manner in which this information will be factored in the evaluation*]
- 1.11 The clauses on fraud and corruption in the Contract are: _____

- 2.1 Clarifications may be requested ___ [*Insert number*] days before the submission date.
- The address for requesting clarifications is: _____

- Telex: _____ Facsimile: _____
- 3.1 Proposals should be submitted in the following language(s): _____
- 3.3 (i) Shortlisted firm/entity may associate with other shortlisted firm:
Yes ___ No ___
- (ii) The estimated number of professional staff-months required for the assignment is: _____
- or:
- In the case of Fixed-Budget Selection, the Financial Proposal shall not exceed the available budget of: _____.
- (iv) The minimum required experience of proposed professional staff is:
[*Insert title, number of years of professional experience, specific expertise*]

- (vi) Reports that are part of the assignment must be written in the following language(s): _____
- 3.4 (vii) Training is a specific component of this assignment: Yes ___ No ___
[*If yes, provide appropriate information*]
- (viii) Additional information in the Technical Proposal includes: _____

- 3.7 Taxes: [*Specify firm's liability: nature, sources of information*]: _____

-
- 3.8 Consultants to state local cost in the national currency: Yes_____ No_____
- 3.10 Proposals must remain valid _____ days [*Normally between 60 and 90 days*] after the submission date, i.e., until:_____
- 4.3 Consultants must submit an original and ___ [*Insert number*] additional copies of each proposal:
-
- 4.4 The proposal submission address is:_____
- Information on the outer envelope should also include : _____
- 4.5 Proposals must be submitted no later than the following date and time:_____
-
- 5.1 The address to send information to the Client is:_____
-
-
- 5.3 The number of points to be given under each of the evaluation criteria are:
- | | <u>Points</u> |
|---|---------------|
| (i) Specific experience of the consultants related to the assignment
[<i>Insert subcriteria</i>]
[<i>Insert subcriteria</i>]
[<i>Insert subcriteria</i>] | [5 - 10] |
| (ii) Adequacy of the proposed work plan and methodology
in responding to the Terms of Reference
[<i>Insert subcriteria</i>]
[<i>Insert subcriteria</i>]
[<i>Insert subcriteria</i>] | [20 - 50] |
| (iii) Qualifications and competence of the key staff for the Assignment
[<i>Insert subcriteria</i>]
[<i>Insert subcriteria</i>]
[<i>Insert subcriteria</i>] | [30 - 60] |
| (iv) Suitability of the transfer of knowledge program (training)
[<i>Insert subcriteria</i>] | [0 - 10] |

[Insert subcriteria]

[Insert subcriteria]

- (v) Local participation (as reflected by nationals among key staff presented by foreign and local firms; maximum not to exceed 10 points) [0 - 10]

[Insert subcriteria]

[Insert subcriteria]

[Insert subcriteria]

Total Points: 100

The number of points to be given under each evaluation subcriteria for qualifications of staff are:

	<u>Points</u>
(i) General qualifications	[20 - 30]
(ii) Adequacy for the project	[50 - 60]
(iii) Experience in region & language	[10 - 20]

Total Points: 100

The minimum technical score required to pass [*Insert number of points*]:_____

5.7 The single currency for price conversions is:_____

The source of official selling rates is:_____

The date of exchange rates is:_____

The formula for determining the financial scores is the following:

[Either $S_f = 100 \times F_m/F$, in which S_f is the financial score, F_m is the lowest price and F the price of the proposal under consideration, or another proportional linear formula]

5.8 The weights given to the technical and Financial Proposals are:

T=_____ [Normally between 0.8 and 0.9], and

P=_____ [Normally between 0.1 and 0.2]

6.1 The address for negotiations is: _____

7.2 The assignment is expected to commence on [*Insert date*] at [*Insert location*]:_

Appendix:³ Financial Negotiations; Breakdown of Staff Rates

³ Delete Appendix in the case of Quality- and Cost-Based Selection (QCBS), Fixed-Budget Selection, or Least-Cost Selection.

**APPENDIX
TO
INFORMATION TO CONSULTANTS**

Financial Negotiations⁴

Breakdown of Remuneration Rates

1. Review of Remuneration Rates

- 1.1 The remuneration rates for staff are made up of salary, social costs, overheads, fee that is profit, and any premium or allowance paid for assignments away from headquarters. To assist the firm in preparing financial negotiations, a sample form giving a breakdown of rates is attached (no financial information should be included in the Technical Proposal). Agreed breakdown sheets shall form part of the negotiated contract.
- 1.2 The Client is charged with the custody of government funds and is expected to exercise prudence in the expenditure of these funds. The Client is, therefore, concerned with the reasonableness of the firm's Financial Proposal, and, during negotiations, it expects to be able to review audited financial statements backing up the firm's remuneration rates, certified by an independent auditor. The firm shall be prepared to disclose such audited financial statements for the last three years, to substantiate its rates, and accept that its proposed rates and other financial matters are subject to scrutiny. Rate details are discussed below.

(i) Salary

This is the gross regular cash salary paid to the individual in the firm's home office. It shall not contain any premium for work away from headquarters or bonus (except where these are included by law or government regulations).

(ii) Bonus

Bonuses are normally paid out of profits. Because the Client does not wish to make double payments for the same item, staff bonuses shall not normally be included in the rates. Where the consultant's accounting system is such that the percentages of social costs and overheads are based on total revenue, including bonuses, those percentages shall be adjusted downward accordingly. Where national policy requires that 13 months' pay be given for 12 months' work, the profit element need not be adjusted downward. Any discussions on bonuses shall be supported by audited documentation, which shall be treated as confidential.

⁴ Used under Quality-Based Selection, Selection Based on Qualifications, and Single-Source Selection.

(iii) Social Costs

Social costs are the costs to the firm of staff's non-monetary benefits. These items include, *inter alia*, pension, medical and life insurance costs, and the cost of a staff member being sick or on vacation. In this regard, the cost of leave for public holidays is not an acceptable social cost nor is the cost of leave taken during an assignment if no additional staff replacement has been provided. Additional leave taken at the end of an assignment in accordance with the firm's leave policy is acceptable as a social cost.

(iv) Cost of Leave

The principles of calculating the cost of total days leave per annum as a percentage of basic salary shall normally be as follows:

$$\text{Leave cost as percentage of salary}^5 = \frac{\text{total days leave} \times 100}{[365 - w - ph - v - s]}$$

It is important to note that leave can be considered a social cost only if the Client is not charged for the leave taken.

(v) Overheads

Overhead expenses are the firm's business costs that are not directly related to the execution of the assignment and shall not be reimbursed as separate items under the contract. Typical items are home office costs (partner's time, nonbillable time, time of senior staff monitoring the project, rent, support staff, research, staff training, marketing, etc.), the cost of staff not currently employed on revenue-earning projects, and business promotion costs. During negotiations, audited financial statements, certified as correct by an independent auditor and supporting the last three years' overheads, shall be available for discussion, together with detailed lists of items making up the overheads and the percentage by which each relates to basic salary. The Client does not accept an add-on margin for social charges, overhead expenses, etc., for staff who are not permanent employees of the firm. In such case, the firm shall be entitled only to administrative costs and fee on the monthly payments charged for subcontracted staff.

⁵ Where *w* = weekends, *ph* = public holidays, *v* = vacation, and *s* = sick leave.

(vi) Fee or Profit

The fee or profit shall be based on the sum of the salary, social costs, and overhead. If any bonuses paid on a regular basis are listed, a corresponding reduction in the profit element shall be expected. Fee or profit shall not be allowed on travel or other reimbursable expenses, unless in the latter case an unusually large amount of procurement of equipment is required. The firm shall note that payments shall be made against an agreed estimated payment schedule as described in the draft form of the contract.

(vii) Away from Headquarters Allowance or Premium

Some consultants pay allowances to staff working away from headquarters. Such allowances are calculated as a percentage of salary and shall not draw overheads or profit. Sometimes, by law, such allowances may draw social costs. In this case, the amount of this social cost shall still be shown under social costs, with the net allowance shown separately. For concerned staff, this allowance, where paid, shall cover home education, etc.; these and similar items shall not be considered as reimbursable costs.

(viii) Subsistence Allowances

Subsistence allowances are not included in the rates, but are paid separately and in local currency. No additional subsistence is payable for dependents—the subsistence rate shall be the same for married and single team members.

UNDP standard rates for the particular country may be used as reference to determine subsistence allowances.

2. Reimbursables

- 2.1 The financial negotiations shall further focus on such items as out-of-pocket expenses and other reimbursables. These costs may include, but are not restricted to, cost of surveys, equipment, office rent, supplies, international and local travel, computer rental, mobilization and demobilization, insurance, and printing. These costs may be either fixed or reimbursable in foreign or local currency.

3. Bank Guarantee

- 3.1 Payments to the firm, including payment of any advance based on cash flow projections covered by a bank guarantee, shall be made according to an agreed estimated schedule ensuring the firm regular payments in local and foreign currency, as long as the services proceed as planned.

[Country]
 [Project Name: Loan #]
 [Title of Consulting Services]
STANDARD REQUEST FOR PROPOSALS
RFP #

INFORMATION TO CONSULTANTS
BREAKDOWN OF AGREED FIXED RATES⁶
 [Currencies: _____⁷]

Consultants		1	2	3	4	5	6	7	8
Name	Position	Basic Rate ⁸	Social Charge (__% of 1)	Overhead (__% of 1)	Subtotal	Fee (__% of 4)	Away from Headquarters Allowance (__ % of 1)	Total Agreed Fixed Rate	Agreed Fixed Rate (__ % of 1)
Country Assignment									
Home Office									

Signature of Consultant: _____

Date: _____

Authorized Representative: _____

Name: _____

Title: _____

⁶ This model form is given for negotiation purposes only. It is not part of the proposals (technical or financial).

⁷ If different currencies, a different table for each currency should be used.

⁸ Per month, day, or hour as appropriate.

Section 3. Technical Proposal - Standard Forms

- 3A. Technical Proposal submission form.
- 3B. Firm's references.
- 3C. Comments and suggestions of consultants on the Terms of Reference and on data, services, and facilities to be provided by the Client.
- 3D. Description of the methodology and work plan for performing the assignment.
- 3E. Team composition and task assignments.
- 3F. Format of curriculum vitae (CV) for proposed professional staff.
- 3G. Time schedule for professional personnel.
- 3H. Activity (work) schedule.

3A. TECHNICAL PROPOSAL SUBMISSION FORM

[*Location, Date*]

To: [*Name and address of Client*]

Ladies/Gentlemen:

We, the undersigned, offer to provide the consulting services for [*Title of consulting services*] in accordance with your Request for Proposal dated [*Date*] and our Proposal. We are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial⁹ Proposal sealed under a separate envelope.

If negotiations are held during the period of validity of the Proposal, i.e., before [*Date*] we undertake to negotiate on the basis of the proposed staff. Our Proposal is binding upon us and subject to the modifications resulting from Contract negotiations.

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

Authorized Signature:
Name and Title of Signatory:
Name of Firm:
Address:

⁹ In Quality-Based Selection, the proposal may include only a Technical Proposal. If this is the case, delete “and a Financial Proposal sealed under a separate envelope.”

3B. FIRM'S REFERENCES

Relevant Services Carried Out in the Last Five Years That Best Illustrate Qualifications

Using the format below, provide information on each assignment for which your firm/entity, either individually as a corporate entity or as one of the major companies within an association, was legally contracted.

Assignment Name:		Country:
Location within Country:		Professional Staff Provided by Your Firm/Entity(profiles):
Name of Client:		N ^o of Staff:
Address:		N ^o of Staff-Months; Duration of Assignment:
Start Date (Month/Year):	Completion Date (Month/Year):	Approx. Value of Services (in Current US\$):
Name of Associated Consultants, If Any:		N ^o of Months of Professional Staff Provided by Associated Consultants:
Name of Senior Staff (Project Director/Coordinator, Team Leader) Involved and Functions Performed:		
Narrative Description of Project:		
Description of Actual Services Provided by Your Staff:		

Firm's Name: _____

**3C. COMMENTS AND SUGGESTIONS OF CONSULTANTS ON THE TERMS OF
REFERENCE AND ON DATA, SERVICES, AND FACILITIES TO BE PROVIDED BY
THE CLIENT**

On the Terms of Reference:

- 1.
- 2.
- 3.
- 4.
- 5.

On the data, services, and facilities to be provided by the Client:

- 1.
- 2.
- 3.
- 4.
- 5.

**3D. DESCRIPTION OF THE METHODOLOGY AND WORK PLAN FOR
PERFORMING THE ASSIGNMENT**

3E. TEAM COMPOSITION AND TASK ASSIGNMENTS

1. Technical/Managerial Staff		
Name	Position	Task

2. Support Staff		
Name	Position	Task

3F. FORMAT OF CURRICULUM VITAE (CV) FOR PROPOSED PROFESSIONAL STAFF

Proposed Position: _____

Name of Firm: _____

Name of Staff: _____

Profession: _____

Date of Birth: _____

Years with Firm/Entity: _____ Nationality: _____

Membership in Professional Societies: _____

Detailed Tasks Assigned: _____

Key Qualifications:

[Give an outline of staff member's experience and training most pertinent to tasks on assignment. Describe degree of responsibility held by staff member on relevant previous assignments and give dates and locations. Use about half a page.]

Education:

[Summarize college/university and other specialized education of staff member, giving names of schools, dates attended, and degrees obtained. Use about one quarter of a page.]

Employment Record:

[Starting with present position, list in reverse order every employment held. List all positions held by staff member since graduation, giving dates, names of employing organizations, titles of positions held, and locations of assignments. For experience in last ten years, also give types of activities performed and client references, where appropriate. Use about two pages.]

Languages:

[For each language indicate proficiency: excellent, good, fair, or poor in speaking, reading, and writing.]

Certification:

I, the undersigned, certify that to the best of my knowledge and belief, these data correctly describe me, my qualifications, and my experience.

[Signature of staff member and authorized representative of the firm] Date: _____

Day/Month/Year

Full name of staff member: _____

Full name of authorized representative: _____

3G. TIME SCHEDULE FOR PROFESSIONAL PERSONNEL

Name	Position	Reports Due/Activities	Months (in the Form of a Bar Chart)												Number of Months
			1	2	3	4	5	6	7	8	9	10	11	12	
															Subtotal (1)
															Subtotal (2)
															Subtotal (3)
															Subtotal (4)

Full-time: _____
 Reports Due: _____
 Activities Duration: _____

Part-time: _____

Signature: _____
 (Authorized representative)

Full Name: _____

Title: _____

Address: _____

3H. ACTIVITY (WORK) SCHEDULE

A. Field Investigation and Study Items

	<i>[1st, 2nd, etc. are months from the start of assignment.]</i>											
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
Activity (Work)												

B. Completion and Submission of Reports

Reports	Date
1. Inception Report	
2. Interim Progress Report (a) First Status Report (b) Second Status Report	
3. Draft Report	
4. Final Report	

Section 4. Financial Proposal - Standard Forms

- 4A. Financial Proposal submission form.
- 4B. Summary of costs.
- 4C. Breakdown of price per activity.
- 4D. Breakdown of remuneration per activity.
- 4E. Reimbursables per activity.
- 4F. Miscellaneous expenses.

4A. FINANCIAL PROPOSAL SUBMISSION FORM

[*Location, Date*]

To: [*Name and address of Client*]

Ladies/Gentlemen:

We, the undersigned, offer to provide the consulting services for [*Title of consulting services*] in accordance with your Request for Proposal dated [*Date*] and our Proposal (Technical and Financial Proposals). Our attached Financial Proposal is for the sum of [*Amount in words and figures*]. This amount is exclusive of the local taxes, which we have estimated at [*Amount(s) in words and figures*].

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations, up to expiration of the validity period of the Proposal, i.e., [*Date*].

Commissions and gratuities, if any, paid or to be paid by us to agents relating to this Proposal and Contract execution, if we are awarded the Contract, are listed below:

Name and Address of Agents	Amount and Currency	Purpose of Commission or Gratuity
_____	_____	_____
_____	_____	_____
_____	_____	_____

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours sincerely,

Authorized Signature:
Name and Title of Signatory:
Name of Firm:
Address:

4B. SUMMARY OF COSTS

Costs	Currency(ies) ¹⁰	Amount(s)
Subtotal		
Local Taxes		
Total Amount of Financial Proposal		_____

¹⁰ Maximum of three currencies plus the local currency.

4C. BREAKDOWN OF PRICE PER ACTIVITY

Activity No.: _____	Activity No.: _____	Description: _____
Price Component	Currency(ies)	Amount(s)
Remuneration		
Reimbursables		
Miscellaneous Expenses		
Subtotal		_____

4D. BREAKDOWN OF REMUNERATION PER ACTIVITY

Activity No. _____		Name: _____		
Names	Position	Input ¹¹	Remuneration Currency(ies) Rate	Amount
Regular staff				
Local staff				
Consultants				
Grand Total				_____

¹¹ Staff months, days, or hours as appropriate.

4E. REIMBURSABLES PER ACTIVITY

Activity No: _____

Name: _____

No.	Description	Unit	Quantity	Unit Price In	Total Amount In
1.	International flights _____	Trip			
2.	Miscellaneous travel expenses	Trip			
3.	Subsistence allowance	Day			
4.	Local transportation costs ¹²				
5.	Office rent/accommodation/ clerical assistance				
	Grand Total				_____

¹² Local transportation costs are not included if local transportation is being made available by the Client. Similarly, in the project site, office rent/accommodations/clerical assistance costs are not to be included if being made available by the Client.

4F. MISCELLANEOUS EXPENSES

Activity No. _____

Activity Name: _____

No.	Description	Unit	Quantity	Unit Price	Total Amount
1.	Communication costs between _____ and _____ (telephone, telegram, telex)				
2.	Drafting, reproduction of reports				
3.	Equipment: vehicles, computers, etc.				
4.	Software				
	Grand Total				_____

Section 5. Terms of Reference

[Terms of Reference normally contain the following sections: (a) Background, (b) Objectives, (c) Scope of the Services, (d) Training (when appropriate), (e) Reports and Time Schedule, and (f) Data, Local Services, Personnel, and Facilities to be provided by the Client.]

Section 6. Standard Forms of Contract

[For contracts for more than \$200,000, consultants will use one of the two Bank standard forms of contracts that are attached:

*Standard Form of Contract
Consultant Services
Complex Time-Based Assignments
June 1995, revised July 1997*

*Standard Form of Contract
Consultant Services
Lump-Sum Remuneration
June 1995, revised July 1997*

For contracts of \$200,000 or less, consultants may use one of the two Bank sample contracts (time-based or lump-sum remuneration) also attached.

Circumstances under which these contracts are used are described in their prefaces. The lump-sum remuneration type is likely to be used more frequently under QCBS, Fixed-Budget Selection, and Least-Cost Selection, whereas the time-based type is more likely to be used under QBS.]

ANNEX I

STANDARD FORM OF CONTRACT

Consultants' Services

Complex Time-Based Assignments

The World Bank
Washington, D.C.

June 1995
Revised July 1997

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Preface

1. This Standard Contract for Consultants' Services has been prepared by The World Bank for use by its borrowers and their implementing agencies (referred to hereinafter as Clients) when they hire consulting firms (referred to hereinafter as Consultants) for complex assignments (like, e.g., design, engineering and supervision services, management services, etc.), for which remuneration is being determined on the basis of the time actually spent by the Consultants in carrying out the services. Its use is mandatory under the circumstances described.
2. The Standard Contract consists of four parts: the Form of Contract to be signed by the Client and the Consultants, the General Conditions of Contract, the Special Conditions of Contract, and the Appendices. Parties using this Standard Contract for services financed by The World Bank should note that the General Conditions must be retained unchanged. Clauses in the Special Conditions should be dealt with as specified in the notes to individual clauses.

CONTRACT FOR CONSULTANTS' SERVICES
Complex Time-Based Assignments

between

[name of the Client]

and

[name of the Consultants]

Dated: _____

I. Form of Contract

COMPLEX TIME-BASED ASSIGNMENTS

This CONTRACT (hereinafter called the “Contract”) is made the *[day]* day of the month of *[month]*, *[year]*, between, on the one hand, *[name of client]* (hereinafter called the “Client”) and, on the other hand, *[name of consultants]* (hereinafter called the “Consultants”).

[Note: If the Consultants consist of more than one entity, the above should be partially amended to read as follows: “...(hereinafter called the “Client”) and, on the other hand, a joint venture consisting of the following entities, each of which will be jointly and severally liable to the Client for all the Consultants’ obligations under this Contract, namely, [name of consultants] and [name of consultants] (hereinafter called the “Consultants”).]”¹

WHEREAS

- (a) the Client has requested the Consultants to provide certain consulting services as defined in the General Conditions of Contract attached to this Contract (hereinafter called the “Services”);
- (b) the Consultants, having represented to the Client that they have the required professional skills, and personnel and technical resources, have agreed to provide the Services on the terms and conditions set forth in this Contract;
- (c) the Client has received *[or has applied for]* a loan from the International Bank for Reconstruction and Development (hereinafter called the “Bank”) *[or a credit from the International Development Association (hereinafter called the “Association”)]* towards the cost of the Services and intends to apply a portion of the proceeds of this loan *[or credit]* to eligible payments under this Contract, it being understood (i) that payments by the Bank *[or Association]* will be made only at the request of the Client and upon approval by the Bank *[or Association]*, (ii) that such payments will be subject, in all respects, to the terms and conditions of the agreement providing for the loan *[or credit]*, and (iii) that no party other than the Client shall derive any rights from the agreement providing for the loan *[or credit]* or have any claim to the loan *[or credit]* proceeds;

¹ Text in brackets is optional; all notes should be deleted in final text.

NOW THEREFORE the parties hereto hereby agree as follows:

1. The following documents attached hereto shall be deemed to form an integral part of this Contract:

- (a) The General Conditions of Contract;
- (b) The Special Conditions of Contract;
- (c) The following Appendices: [*Note: If any of these Appendices are not used, the words "Not Used" should be inserted below next to the title of the Appendix and on the sheet attached hereto carrying the title of that Appendix.*]

Appendix A: Description of the Services	___ Not used
Appendix B: Reporting Requirements	___ Not used
Appendix C: Key Personnel and Subconsultants	___ Not used
Appendix D: Medical Certificate	___ Not used
Appendix E: Hours of Work for Key Personnel	___ Not used
Appendix F: Duties of the Client	___ Not used
Appendix G: Cost Estimates in Foreign Currency	___ Not used
Appendix H: Cost Estimates in Local Currency	___ Not used
Appendix I: Form of Guarantee for Advance Payments	___ Not used

2. The mutual rights and obligations of the Client and the Consultants shall be as set forth in the Contract, in particular:

- (a) the Consultants shall carry out the Services in accordance with the provisions of the Contract; and
- (b) the Client shall make payments to the Consultants in accordance with the provisions of the Contract.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be signed in their respective names as of the day and year first above written.

For and on behalf of *[name of client]*

[Authorized Representative]

For and on behalf of *[name of consultants]*

[Authorized Representative]

[Note: *If the Consultants consist of more than one entity, all these entities should appear as signatories, e.g., in the following manner:]*

For and on behalf of each of the Members of the Consultants

[name of member]

[Authorized Representative]

[name of member]

[Authorized Representative]

II. General Conditions of Contract

1. GENERAL PROVISIONS

1.1 Definitions

Unless the context otherwise requires, the following terms whenever used in this Contract have the following meanings:

- (a) “Applicable Law” means the laws and any other instruments having the force of law in the Government’s country (or in such other country as may be specified in the Special Conditions of Contract [SC]), as they may be issued and in force from time to time;
- (b) “Bank” means the International Bank for Reconstruction and Development, Washington, D.C., U.S.A.;
- or**
- (b) “Association” means the International Development Association, Washington, D.C., U.S.A.;
- (c) “Contract” means the Contract signed by the Parties, to which these General Conditions of Contract (GC) are attached, together with all the documents listed in Clause 1 of such signed Contract;
- (d) “Effective Date” means the date on which this Contract comes into force and effect pursuant to Clause GC 2.1;
- (e) “Foreign Currency” means any currency other than the currency of the Government;
- (f) “GC” means these General Conditions of Contract;
- (g) “Government” means the Government of the Client’s country;
- (h) “Local Currency” means the currency of the Government;
- (i) “Member,” in case the Consultants consist of a joint venture of more than one entity, means any of these entities; and “Members” means all these entities;
- (j) “Party” means the Client or the Consultants, as the case may be, and “Parties” means both of them;
- (k) “Personnel” means persons hired by the Consultants or by any Subconsultant as employees and assigned to the performance of the Services or any part thereof; “Foreign Personnel” means such persons who at the time of being so hired had their domicile

outside the Government's country; "Local Personnel" means such persons who at the time of being so hired had their domicile inside the Government's country; and "Key Personnel" means the Personnel referred to in Clause GC 4.2(a);

- (l) "SC" means the Special Conditions of Contract by which the GC may be amended or supplemented;
- (m) "Services" means the work to be performed by the Consultants pursuant to this Contract, as described in Appendix A hereto;
- (n) "Subconsultant" means any person or entity to whom/which the Consultants subcontract any part of the Services in accordance with the provisions of Clause GC 3.7;
- (o) "Third Party" means any person or entity other than the Government, the Client, the Consultants or a Subconsultant.

- 1.2 Relation between the Parties** Nothing contained herein shall be construed as establishing a relation of master and servant or of principal and agent as between the Client and the Consultants. The Consultants, subject to this Contract, have complete charge of Personnel and Subconsultants, if any, performing the Services and shall be fully responsible for the Services performed by them or on their behalf hereunder.
- 1.3 Law Governing Contract** This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the Applicable Law.
- 1.4 Language** This Contract has been executed in the language specified in the SC, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract.
- 1.5 Headings** The headings shall not limit, alter or affect the meaning of this Contract.
- 1.6 Notices**
- 1.6.1 Any notice, request or consent required or permitted to be given or made pursuant to this Contract shall be in writing. Any such notice, request or consent shall be deemed to have been given or made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or when sent by registered mail, telex, telegram or facsimile to such Party at the address specified in the SC.
 - 1.6.2 Notice will be deemed to be effective as specified in the SC.
 - 1.6.3 A Party may change its address for notice hereunder by giving the other Party notice of such change pursuant to the provisions

listed in the SC with respect to Clause GC 1.6.2.

- 1.7 Location** The Services shall be performed at such locations as are specified in Appendix A hereto and, where the location of a particular task is not so specified, at such locations, whether in the Government's country or elsewhere, as the Client may approve.
- 1.8 Authority of Member in Charge** In case the Consultants consist of a joint venture of more than one entity, the Members hereby authorize the entity specified in the SC to act on their behalf in exercising all the Consultants' rights and obligations towards the Client under this Contract, including without limitation the receiving of instructions and payments from the Client.
- 1.9 Authorized Representatives** Any action required or permitted to be taken, and any document required or permitted to be executed, under this Contract by the Client or the Consultants may be taken or executed by the officials specified in the SC.
- 1.10 Taxes and Duties** Unless otherwise specified in the SC, the Consultants, Subconsultants and Personnel shall pay such taxes, duties, fees and other impositions as may be levied under the Applicable Law.

2. COMMENCEMENT, COMPLETION, MODIFICATION AND TERMINATION OF CONTRACT

- 2.1 Effectiveness of Contract** This Contract shall come into force and effect on the date (the "Effective Date") of the Client's notice to the Consultants instructing the Consultants to begin carrying out the Services. This notice shall confirm that the effectiveness conditions, if any, listed in the SC have been met.
- 2.2 Termination of Contract for Failure to Become Effective** If this Contract has not become effective within such time period after the date of the Contract signed by the Parties as shall be specified in the SC, either Party may, by not less than four (4) weeks' written notice to the other Party, declare this Contract to be null and void, and in the event of such a declaration by either Party, neither Party shall have any claim against the other Party with respect hereto.
- 2.3 Commencement of Services** The Consultants shall begin carrying out the Services at the end of such time period after the Effective Date as shall be specified in the SC.
- 2.4 Expiration of Contract** Unless terminated earlier pursuant to Clause GC 2.9 hereof, this Contract shall terminate at the end of such time period after the Effective Date as shall be specified in the SC.

2.5 Entire Agreement This Contract contains all covenants, stipulations and provisions agreed by the Parties. No agent or representative of either Party has authority to make, and the Parties shall not be bound by or be liable for, any statement, representation, promise or agreement not set forth herein.

2.6 Modification Modification of the terms and conditions of this Contract, including any modification of the scope of the Services, may only be made by written agreement between the Parties and shall not be effective until the consent of the Bank or of the Association, as the case may be, has been obtained. Pursuant to Clause GC 7.2 hereof, however, each Party shall give due consideration to any proposals for modification made by the other Party.

2.7 Force Majeure

2.7.1 Definition

- (a) For the purposes of this Contract, “Force Majeure” means an event which is beyond the reasonable control of a Party, and which makes a Party’s performance of its obligations hereunder impossible or so impractical as reasonably to be considered impossible in the circumstances, and includes, but is not limited to, war, riots, civil disorder, earthquake, fire, explosion, storm, flood or other adverse weather conditions, strikes, lockouts or other industrial action (except where such strikes, lockouts or other industrial action are within the power of the Party invoking Force Majeure to prevent), confiscation or any other action by government agencies.
- (b) Force Majeure shall not include (i) any event which is caused by the negligence or intentional action of a Party or such Party’s Subconsultants or agents or employees, nor (ii) any event which a diligent Party could reasonably have been expected to both (A) take into account at the time of the conclusion of this Contract and (B) avoid or overcome in the carrying out of its obligations hereunder.
- (c) Force Majeure shall not include insufficiency of funds or failure to make any payment required hereunder.

2.7.2 No Breach of Contract

The failure of a Party to fulfill any of its obligations hereunder shall not be considered to be a breach of, or default under, this Contract insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event has taken all reasonable precautions, due care and reasonable alternative measures, all with the objective of carrying out the terms and conditions of this Contract.

- 2.7.3 Measures to be Taken**
- (a) A Party affected by an event of Force Majeure shall take all reasonable measures to remove such Party's inability to fulfill its obligations hereunder with a minimum of delay.
 - (b) A Party affected by an event of Force Majeure shall notify the other Party of such event as soon as possible, and in any event not later than fourteen (14) days following the occurrence of such event, providing evidence of the nature and cause of such event, and shall similarly give notice of the restoration of normal conditions as soon as possible.
 - (c) The Parties shall take all reasonable measures to minimize the consequences of any event of Force Majeure.
- 2.7.4 Extension of Time**
- Any period within which a Party shall, pursuant to this Contract, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.
- 2.7.5 Payments**
- During the period of their inability to perform the Services as a result of an event of Force Majeure, the Consultants shall be entitled to continue to be paid under the terms of this Contract as well as to be reimbursed for additional costs reasonably and necessarily incurred by them during such period for the purposes of the Services and in reactivating the Services after the end of such period.
- 2.7.6 Consultation**
- Not later than thirty (30) days after the Consultants, as the result of an event of Force Majeure, have become unable to perform a material portion of the Services, the Parties shall consult with each other with a view to agreeing on appropriate measures to be taken in the circumstances.
- 2.8 Suspension**
- The Client may, by written notice of suspension to the Consultants, suspend all payments to the Consultants hereunder if the Consultants fail to perform any of their obligations under this Contract, including the carrying out of the Services, provided that such notice of suspension (i) shall specify the nature of the failure, and (ii) shall request the Consultants to remedy such failure within a period not exceeding thirty (30) days after receipt by the Consultants of such notice of suspension.
- 2.9 Termination**
- 2.9.1 By the Client**
- The Client may, by not less than thirty (30) days' written notice of termination to the Consultants (except in the event listed in paragraph

(f) below, for which there shall be a written notice of not less than sixty (60) days), such notice to be given after the occurrence of any of the events specified in paragraphs (a) through (g) of this Clause GC 2.9.1, terminate this Contract:

- (a) if the Consultants fail to remedy a failure in the performance of their obligations hereunder, as specified in a notice of suspension pursuant to Clause 2.8 hereinabove, within thirty (30) days of receipt of such notice of suspension or within such further period as the Client may have subsequently approved in writing;
- (b) if the Consultants become (or, if the Consultants consist of more than one entity, if any of their Members becomes) insolvent or bankrupt or enter into any agreements with their creditors for relief of debt or take advantage of any law for the benefit of debtors or go into liquidation or receivership whether compulsory or voluntary;
- (c) if the Consultants fail to comply with any final decision reached as a result of arbitration proceedings pursuant to Clause GC 8 hereof;
- (d) if the Consultants submit to the Client a statement which has a material effect on the rights, obligations or interests of the Client and which the Consultants know to be false;
- (e) if, as the result of Force Majeure, the Consultants are unable to perform a material portion of the Services for a period of not less than sixty (60) days; or
- (f) if the Client, in its sole discretion and for any reason whatsoever, decides to terminate this Contract.
- (g) if the Consultant, in the judgment of the Client, has engaged in corrupt or fraudulent practices in competing for or in executing the Contract. For the purpose of this clause:

“corrupt practice” means the offering, giving, receiving or soliciting of anything of value to influence the action of a public official in the selection process or in contract execution.

“fraudulent practice” means a misrepresentation of facts in order to influence a selection process or the execution of a contract to the detriment of the Borrower, and includes collusive practice among consultants (prior to or after submission of proposals)

designed to establish prices at artificial non-competitive levels and to deprive the Borrower of the benefits of free and open competition.

2.9.2 By the Consultants

The Consultants may, by not less than thirty (30) days' written notice to the Client, such notice to be given after the occurrence of any of the events specified in paragraphs (a) through (d) of this Clause GC 2.9.2, terminate this Contract:

- (a) if the Client fails to pay any money due to the Consultants pursuant to this Contract and not subject to dispute pursuant to Clause GC 8 hereof within forty-five (45) days after receiving written notice from the Consultants that such payment is overdue;
- (b) if the Client is in material breach of its obligations pursuant to this Contract and has not remedied the same within forty-five (45) days (or such longer period as the Consultants may have subsequently approved in writing) following the receipt by the Client of the Consultants' notice specifying such breach;
- (c) if, as the result of Force Majeure, the Consultants are unable to perform a material portion of the Services for a period of not less than sixty (60) days; or
- (d) if the Client fails to comply with any final decision reached as a result of arbitration pursuant to Clause GC 8 hereof.

2.9.3 Cessation of Rights and Obligations

Upon termination of this Contract pursuant to Clauses GC 2.2 or GC 2.9 hereof, or upon expiration of this Contract pursuant to Clause GC 2.4 hereof, all rights and obligations of the Parties hereunder shall cease, except (i) such rights and obligations as may have accrued on the date of termination or expiration, (ii) the obligation of confidentiality set forth in Clause GC 3.3 hereof, (iii) the Consultants' obligation to permit inspection, copying and auditing of their accounts and records set forth in Clause GC 3.6(ii) hereof, and (iv) any right which a Party may have under the Applicable Law.

2.9.4 Cessation of Services

Upon termination of this Contract by notice of either Party to the other pursuant to Clauses GC 2.9.1 or GC 2.9.2 hereof, the Consultants shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the Services to a close in a prompt and orderly manner and shall make every reasonable effort to keep expenditures for this purpose to a minimum. With respect to documents prepared by the Consultants and equipment and materials furnished by the Client, the Consultants shall proceed as provided, respectively, by Clauses GC 3.9 or GC 3.10 hereof.

- 2.9.5 Payment upon Termination** Upon termination of this Contract pursuant to Clauses GC 2.9.1 or GC 2.9.2 hereof, the Client shall make the following payments to the Consultants:
- (a) remuneration pursuant to Clause GC 6 hereof for Services satisfactorily performed prior to the effective date of termination;
 - (b) reimbursable expenditures pursuant to Clause GC 6 hereof for expenditures actually incurred prior to the effective date of termination; and
 - (c) except in the case of termination pursuant to paragraphs (a) through (d) of Clause GC 2.9.1 hereof, reimbursement of any reasonable cost incident to the prompt and orderly termination of the Contract including the cost of the return travel of the Personnel and their eligible dependents.
- 2.9.6 Disputes about Events of Termination** If either Party disputes whether an event specified in paragraphs (a) through (e) of Clause GC 2.9.1 or in Clause GC 2.9.2 hereof has occurred, such Party may, within forty-five (45) days after receipt of notice of termination from the other Party, refer the matter to arbitration pursuant to Clause GC 8 hereof, and this Contract shall not be terminated on account of such event except in accordance with the terms of any resulting arbitral award.

3. OBLIGATIONS OF THE CONSULTANTS

3.1 General

- 3.1.1 Standard of Performance** The Consultants shall perform the Services and carry out their obligations hereunder with all due diligence, efficiency and economy, in accordance with generally accepted professional techniques and practices, and shall observe sound management practices, and employ appropriate advanced technology and safe and effective equipment, machinery, materials and methods. The Consultants shall always act, in respect of any matter relating to this Contract or to the Services, as faithful advisers to the Client, and shall at all times support and safeguard the Client's legitimate interests in any dealings with Subconsultants or Third Parties.
- 3.1.2 Law Governing Services** The Consultants shall perform the Services in accordance with the Applicable Law and shall take all practicable steps to ensure that any Subconsultants, as well as the Personnel of the Consultants and any

Subconsultants, comply with the Applicable Law. The Client shall notify the Consultants in writing of relevant local customs, and the Consultants shall, after such notification, respect such customs.

3.2 Conflict of Interests

3.2.1 Consultants Not to Benefit from Commissions, Discounts, etc.

The remuneration of the Consultants pursuant to Clause GC 6 hereof shall constitute the Consultants' sole remuneration in connection with this Contract or the Services and, subject to Clause GC 3.2.2 hereof, the Consultants shall not accept for their own benefit any trade commission, discount or similar payment in connection with activities pursuant to this Contract or to the Services or in the discharge of their obligations hereunder, and the Consultants shall use their best efforts to ensure that any Subconsultants, as well as the Personnel and agents of either of them, similarly shall not receive any such additional remuneration.

3.2.2 Procurement Rules of Funding Agencies

If the Consultants, as part of the Services, have the responsibility of advising the Client on the procurement of goods, works or services, the Consultants shall comply with any applicable procurement guidelines of the Bank or of the Association, as the case may be, and other funding agencies and shall at all times exercise such responsibility in the best interest of the Client. Any discounts or commissions obtained by the Consultants in the exercise of such procurement responsibility shall be for the account of the Client.

3.2.3 Consultants and Affiliates Not to Engage in Certain Activities

The Consultants agree that, during the term of this Contract and after its termination, the Consultants and any entity affiliated with the Consultants, as well as any Subconsultant and any entity affiliated with such Subconsultant, shall be disqualified from providing goods, works or services (other than the Services and any continuation thereof) for any project resulting from or closely related to the Services.

3.2.4 Prohibition of Conflicting Activities

The Consultants shall not engage, and shall cause their Personnel as well as their Subconsultants and their Personnel not to engage, either directly or indirectly, in any of the following activities:

- (a) during the term of this Contract, any business or professional activities in the Government's country which would conflict with the activities assigned to them under this Contract; and
- (b) after the termination of this Contract, such other activities as may be specified in the SC.

3.3 Confidentiality

The Consultants, their Subconsultants and the Personnel of either of them shall not, either during the term or within two (2) years after the

expiration of this Contract, disclose any proprietary or confidential information relating to the Services, this Contract or the Client's business or operations without the prior written consent of the Client.

- 3.4 Liability of the Consultants** Subject to additional provisions, if any, set forth in the SC, the Consultants' liability under this Contract shall be as provided by the Applicable Law.
- 3.5 Insurance to be Taken Out by the Consultants** The Consultants (i) shall take out and maintain, and shall cause any Subconsultants to take out and maintain, at their (or the Subconsultants', as the case may be) own cost but on terms and conditions approved by the Client, insurance against the risks, and for the coverages, as shall be specified in the SC, and (ii) at the Client's request, shall provide evidence to the Client showing that such insurance has been taken out and maintained and that the current premiums therefor have been paid.
- 3.6 Accounting, Inspection and Auditing** The Consultants (i) shall keep accurate and systematic accounts and records in respect of the Services hereunder, in accordance with internationally accepted accounting principles and in such form and detail as will clearly identify all relevant time changes and costs, and the bases thereof (including such bases as may be specifically referred to in the SC), and (ii) shall permit the Client or its designated representative periodically, and up to one year from the expiration or termination of this Contract, to inspect the same and make copies thereof as well as to have them audited by auditors appointed by the Client and (iii) shall permit the Bank to inspect the Consultant's accounts and records relating to the performance of the Consultant and to have them audited by auditors approved by the Bank, if so required by the Bank.
- 3.7 Consultants' Actions Requiring Client's Prior Approval** The Consultants shall obtain the Client's prior approval in writing before taking any of the following actions:
- (a) appointing such members of the Personnel as are listed in Appendix C merely by title but not by name;
 - (b) entering into a subcontract for the performance of any part of the Services, it being understood (i) that the selection of the Subconsultant and the terms and conditions of the subcontract shall have been approved in writing by the Client prior to the execution of the subcontract, and (ii) that the Consultants shall remain fully liable for the performance of the Services by the Subconsultant and its Personnel pursuant to this Contract;
 - (c) any other action that may be specified in the SC.

- 3.8 Reporting Obligations** The Consultants shall submit to the Client the reports and documents specified in Appendix B hereto, in the form, in the numbers and within the time periods set forth in the said Appendix.
- 3.9 Documents Prepared by the Consultants to be the Property of the Client** All plans, drawings, specifications, designs, reports, other documents and software prepared by the Consultants for the Client under this Contract shall become and remain the property of the Client, and the Consultants shall, not later than upon termination or expiration of this Contract, deliver all such documents to the Client, together with a detailed inventory thereof. The Consultants may retain a copy of such documents and software. Restrictions about the future use of these documents and software, if any, shall be specified in the SC.
- 3.10 Equipment and Materials Furnished by the Client** Equipment and materials made available to the Consultants by the Client, or purchased by the Consultants with funds provided by the Client, shall be the property of the Client and shall be marked accordingly. Upon termination or expiration of this Contract, the Consultants shall make available to the Client an inventory of such equipment and materials and shall dispose of such equipment and materials in accordance with the Client's instructions. While in possession of such equipment and materials, the Consultants, unless otherwise instructed by the Client in writing, shall insure them at the expense of the Client in an amount equal to their full replacement value.

4. CONSULTANTS' PERSONNEL AND SUBCONSULTANTS

- 4.1 General** The Consultants shall employ and provide such qualified and experienced Personnel and Subconsultants as are required to carry out the Services.
- 4.2 Description of Personnel**
- (a) The title, agreed job description, minimum qualification and estimated period of engagement in the carrying out of the Services of each of the Consultants' Key Personnel are described in Appendix C. If any of the Key Personnel has already been approved by the Client, his/her name is listed as well.
 - (b) If required to comply with the provisions of Clause GC 3.1.1 hereof, adjustments with respect to the estimated periods of engagement of Key Personnel set forth in Appendix C may be made by the Consultants by written notice to the Client, provided (i) that such adjustments shall not alter the originally estimated period of engagement of any individual by more than 10% or one week, whichever is larger, and (ii) that the

aggregate of such adjustments shall not cause payments under this Contract to exceed the ceilings set forth in Clause GC 6.1(b) of this Contract. Any other such adjustments shall only be made with the Client's written approval.

- (c) If additional work is required beyond the scope of the Services specified in Appendix A, the estimated periods of engagement of Key Personnel set forth in Appendix C may be increased by agreement in writing between the Client and the Consultants, provided that any such increase shall not, except as otherwise agreed in writing, cause payments under this Contract to exceed the ceilings set forth in Clause GC 6.1(b) of this Contract.

4.3 Approval of Personnel

The Key Personnel and Subconsultants listed by title as well as by name in Appendix C are hereby approved by the Client. In respect of other Key Personnel which the Consultants propose to use in the carrying out of the Services, the Consultants shall submit to the Client for review and approval a copy of their biographical data and (in the case of Key Personnel to be used within the country of the Government) a copy of a satisfactory medical certificate in the form attached hereto as Appendix D. If the Client does not object in writing (stating the reasons for the objection) within twenty-one (21) calendar days from the date of receipt of such biographical data and (if applicable) such certificate, such Key Personnel shall be deemed to have been approved by the Client.

4.4 Working Hours, Overtime, Leave, etc.

- (a) Working hours and holidays for Key Personnel are set forth in Appendix E hereto. To account for travel time, foreign Personnel carrying out Services inside the Government's country shall be deemed to have commenced (or finished) work in respect of the Services such number of days before their arrival in (or after their departure from) the Government's country as is specified in Appendix E hereto.
- (b) The Key Personnel shall not be entitled to be paid for overtime nor to take paid sick leave or vacation leave except as specified in Appendix E hereto, and except as specified in such Appendix, the Consultants' remuneration shall be deemed to cover these items. All leave to be allowed to the Personnel is included in the staff-months of service set forth in Appendix C. Any taking of leave by Personnel shall be subject to the prior approval by the Consultants who shall ensure that absence for leave purposes will not delay the progress and adequate supervision of the Services.

4.5 Removal and/or

- (a) Except as the Client may otherwise agree, no changes shall be

Replacement of Personnel

- made in the Key Personnel. If, for any reason beyond the reasonable control of the Consultants, it becomes necessary to replace any of the Personnel, the Consultants shall forthwith provide as a replacement a person of equivalent or better qualifications.
- (b) If the Client (i) finds that any of the Personnel has committed serious misconduct or has been charged with having committed a criminal action, or (ii) has reasonable cause to be dissatisfied with the performance of any of the Personnel, then the Consultants shall, at the Client's written request specifying the grounds therefor, forthwith provide as a replacement a person with qualifications and experience acceptable to the Client.
- (c) Any of the Personnel provided as a replacement under Clauses (a) and (b) above, the rate of remuneration applicable to such person as well as any reimbursable expenditures (including expenditures due to the number of eligible dependents) the Consultants may wish to claim as a result of such replacement, shall be subject to the prior written approval by the Client. Except as the Client may otherwise agree, (i) the Consultants shall bear all additional travel and other costs arising out of or incidental to any removal and/or replacement, and (ii) the remuneration to be paid for any of the Personnel provided as a replacement shall not exceed the remuneration which would have been payable to the Personnel replaced.

4.6 Resident Project Manager

If required by the SC, the Consultants shall ensure that at all times during the Consultants' performance of the Services in the Government's country a resident project manager, acceptable to the Client, shall take charge of the performance of such Services.

5. OBLIGATIONS OF THE CLIENT**5.1 Assistance and Exemptions**

Unless otherwise specified in the SC, the Client shall use its best efforts to ensure that the Government shall:

- (a) provide the Consultants, Subconsultants and Personnel with work permits and such other documents as shall be necessary to enable the Consultants, Subconsultants or Personnel to perform the Services;

- (b) arrange for the Personnel and, if appropriate, their eligible dependents to be provided promptly with all necessary entry and exit visas, residence permits, exchange permits and any other documents required for their stay in the Government's country;
- (c) facilitate prompt clearance through customs of any property required for the Services and of the personal effects of the Personnel and their eligible dependents;
- (d) issue to officials, agents and representatives of the Government all such instructions as may be necessary or appropriate for the prompt and effective implementation of the Services;
- (e) exempt the Consultants and the Personnel and any Subconsultants employed by the Consultants for the Services from any requirement to register or obtain any permit to practice their profession or to establish themselves either individually or as a corporate entity according to the Applicable Law;
- (f) grant to the Consultants, any Subconsultant and the Personnel of either of them the privilege, pursuant to the Applicable Law, of bringing into the Government's country reasonable amounts of foreign currency for the purposes of the Services or for the personal use of the Personnel and their dependents and of withdrawing any such amounts as may be earned therein by the Personnel in the execution of the Services; and
- (g) provide to the Consultants, Subconsultants and Personnel any such other assistance as may be specified in the SC.

5.2 Access to Land

The Client warrants that the Consultants shall have, free of charge, unimpeded access to all land in the Government's country in respect of which access is required for the performance of the Services. The Client will be responsible for any damage to such land or any property thereon resulting from such access and will indemnify the Consultants and each of the Personnel in respect of liability for any such damage, unless such damage is caused by the default or negligence of the Consultants or any Subconsultant or the Personnel of either of them.

5.3 Change in the Applicable Law

If, after the date of this Contract, there is any change in the Applicable Law with respect to taxes and duties which increases or decreases the cost incurred by the Consultants in performing the Services, then the remuneration and reimbursable expenses

otherwise payable to the Consultants under this Contract shall be increased or decreased accordingly by agreement between the Parties hereto, and corresponding adjustments shall be made to the ceiling amounts specified in Clause GC 6.1(b).

5.4 Services, Facilities and Property of the Client

The Client shall make available to the Consultants and the Personnel, for the purposes of the Services and free of any charge, the services, facilities and property described in Appendix F at the times and in the manner specified in said Appendix F, provided that if such services, facilities and property shall not be made available to the Consultants as and when so specified, the Parties shall agree on (i) any time extension that it may be appropriate to grant to the Consultants for the performance of the Services, (ii) the manner in which the Consultants shall procure any such services, facilities and property from other sources, and (iii) the additional payments, if any, to be made to the Consultants as a result thereof pursuant to Clause GC 6.1(c) hereinafter.

5.5 Payment

In consideration of the Services performed by the Consultants under this Contract, the Client shall make to the Consultants such payments and in such manner as is provided by Clause GC 6 of this Contract.

5.6 Counterpart Personnel

- (a) If so provided in Appendix F hereto, the Client shall make available to the Consultants, as and when provided in such Appendix F, and free of charge, such counterpart personnel to be selected by the Client, with the Consultants' advice, as shall be specified in such Appendix F. Counterpart personnel shall work under the exclusive direction of the Consultants. If any member of the counterpart personnel fails to perform adequately any work assigned to such member by the Consultants which is consistent with the position occupied by such member, the Consultants may request the replacement of such member, and the Client shall not unreasonably refuse to act upon such request.
- (b) If counterpart personnel are not provided by the Client to the Consultants as and when specified in Appendix F, the Client and the Consultants shall agree on (i) how the affected part of the Services shall be carried out, and (ii) the additional payments, if any, to be made by the Client to the Consultants as a result thereof pursuant to Clause GC 6.1(c) hereof.

6. PAYMENTS TO THE CONSULTANTS

6.1 Cost Estimates;

- (a) An estimate of the cost of the Services payable in foreign

Ceiling Amount

currency is set forth in Appendix G. An estimate of the cost of the Services payable in local currency is set forth in Appendix H.

- (b) Except as may be otherwise agreed under Clause GC 2.6 and subject to Clause GC 6.1(c), payments under this Contract shall not exceed the ceilings in foreign currency and in local currency specified in the SC. The Consultants shall notify the Client as soon as cumulative charges incurred for the Services have reached 80% of either of these ceilings.
- (c) Notwithstanding Clause GC 6.1(b) hereof, if pursuant to any of the Clauses GC 5.3, 5.4 or 5.6 hereof, the Parties shall agree that additional payments in local and/or foreign currency, as the case may be, shall be made to the Consultants in order to cover any necessary additional expenditures not envisaged in the cost estimates referred to in Clause GC 6.1(a) above, the ceiling or ceilings, as the case may be, set forth in Clause GC 6.1(b) above shall be increased by the amount or amounts, as the case may be, of any such additional payments.

6.2 Remuneration and Reimbursable Expenditures

- (a) Subject to the ceilings specified in Clause GC 6.1(b) hereof, the Client shall pay to the Consultants (i) remuneration as set forth in Clause GC 6.2(b), and (ii) reimbursable expenditures as set forth in Clause GC 6.2(c). If specified in the SC, said remuneration shall be subject to price adjustment as specified in the SC.
- (b) Remuneration for the Personnel shall be determined on the basis of time actually spent by such Personnel in the performance of the Services after the date determined in accordance with Clause GC 2.3 and Clause SC 2.3 (or such other date as the Parties shall agree in writing) (including time for necessary travel via the most direct route) at the rates referred to, and subject to such additional provisions as are set forth, in the SC.
- (c) Reimbursable expenditures actually and reasonably incurred by the Consultants in the performance of the Services, as specified in Clause SC 6.3(b).

6.3 Currency of Payment

- (a) Foreign currency payments shall be made in the currency or currencies specified as foreign currency or currencies in the SC, and local currency payments shall be made in the currency of the Government.
- (b) The SC shall specify which items of remuneration and

reimbursable expenditures shall be paid, respectively, in foreign and in local currency.

6.4 Mode of Billing and Payment

Billings and payments in respect of the Services shall be made as follows:

- (a) The Client shall cause to be paid to the Consultants an advance payment as specified in the SC, and as otherwise set forth below. The advance payment will be due after provision by the Consultants to the Client of a bank guarantee by a bank acceptable to the Client in an amount (or amounts) and in a currency (or currencies) specified in the SC, such bank guarantee (i) to remain effective until the advance payment has been fully set off as provided in the SC, and (ii) to be in the form set forth in Appendix I hereto or in such other form as the Client shall have approved in writing.
- (b) As soon as practicable and not later than fifteen (15) days after the end of each calendar month during the period of the Services, the Consultants shall submit to the Client, in duplicate, itemized statements, accompanied by copies of receipted invoices, vouchers and other appropriate supporting materials, of the amounts payable pursuant to Clauses GC 6.3 and 6.4 for such month. Separate monthly statements shall be submitted in respect of amounts payable in foreign currency and in local currency. Each such separate monthly statement shall distinguish that portion of the total eligible costs which pertains to remuneration from that portion which pertains to reimbursable expenditures.
- (c) The Client shall cause the payment of the Consultants' monthly statements within sixty (60) days after the receipt by the Client of such statements with supporting documents. Only such portion of a monthly statement that is not satisfactorily supported may be withheld from payment. Should any discrepancy be found to exist between actual payment and costs authorized to be incurred by the Consultants, the Client may add or subtract the difference from any subsequent payments. Interest at the annual rate specified in the SC shall become payable as from the above due date on any amount due by, but not paid on, such due date.
- (d) The final payment under this Clause shall be made only after the final report and a final statement, identified as such, shall have been submitted by the Consultants and approved as satisfactory by the Client. The Services shall be deemed

completed and finally accepted by the Client and the final report and final statement shall be deemed approved by the Client as satisfactory ninety (90) calendar days after receipt of the final report and final statement by the Client unless the Client, within such ninety (90)-day period, gives written notice to the Consultants specifying in detail deficiencies in the Services, the final report or final statement. The Consultants shall thereupon promptly make any necessary corrections, and upon completion of such corrections, the foregoing process shall be repeated. Any amount which the Client has paid or caused to be paid in accordance with this Clause in excess of the amounts actually payable in accordance with the provisions of this Contract shall be reimbursed by the Consultants to the Client within thirty (30) days after receipt by the Consultants of notice thereof. Any such claim by the Client for reimbursement must be made within twelve (12) calendar months after receipt by the Client of a final report and a final statement approved by the Client in accordance with the above.

- (e) All payments under this Contract shall be made to the accounts of the Consultants specified in the SC.

7. FAIRNESS AND GOOD FAITH

7.1 Good Faith

The Parties undertake to act in good faith with respect to each other's rights under this Contract and to adopt all reasonable measures to ensure the realization of the objectives of this Contract.

7.2 Operation of the Contract

The Parties recognize that it is impractical in this Contract to provide for every contingency which may arise during the life of the Contract, and the Parties hereby agree that it is their intention that this Contract shall operate fairly as between them, and without detriment to the interest of either of them, and that, if during the term of this Contract either Party believes that this Contract is operating unfairly, the Parties will use their best efforts to agree on such action as may be necessary to remove the cause or causes of such unfairness, but no failure to agree on any action pursuant to this Clause shall give rise to a dispute subject to arbitration in accordance with Clause GC 8 hereof.

8. SETTLEMENT OF DISPUTES

8.1 Amicable Settlement The Parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or the interpretation thereof.

8.2 Dispute Settlement Any dispute between the Parties as to matters arising pursuant to this Contract which cannot be settled amicably within thirty (30) days after receipt by one Party of the other Party's request for such amicable settlement may be submitted by either Party for settlement in accordance with the provisions specified in the SC.

III. Special Conditions of Contract

Number of GC Clause ²	Amendments of, and Supplements to, Clauses in the General Conditions of Contract
[1.1(a)]	<p>The words “in the Government’s country” are amended to read “in [name of country].”</p> <p><i>Note: Bank-financed contracts usually designate the law of the Client’s country as the law governing the contract. However, if parties wish to designate the law of another country, the Bank will not object. In the former case, this Clause SC1.1(a) should be deleted; in the latter case, the name of the respective country should be inserted in the blank, and the square brackets should be removed.]</i></p>
1.4	The language is [specify English, French, or Spanish].
1.6.1	<p>The addresses are:</p> <p>Client: _____</p> <p>Attention: _____</p> <p>Cable address: _____</p> <p>Telex: _____</p> <p>Facsimile: _____</p> <p>Consultants: _____</p> <p>Attention: _____</p> <p>Cable address: _____</p> <p>Telex: _____</p> <p>Facsimile: _____</p>
1.6.2	<p>Notice will be deemed to be effective as follows:</p> <p>(a) in the case of personal delivery or registered mail, on delivery;</p> <p>(b) in the case of telexes, [written hours] ([numerical hours]) hours following confirmed transmission;</p> <p>(c) in the case of telegrams, [written hours] ([numerical hours]) hours</p>

² Clauses in brackets are optional; all notes should be deleted in final text.

following confirmed transmission; and

- (d) in the case of facsimiles, *[written hours]* (*[numerical hours]*) hours following confirmed transmission.

[1.8] The Member in Charge is *[name of member]*.

Note: If the Consultants consist of a joint venture of more than one entity, the name of the entity whose address is specified in Clause SC 1.6.1 should be inserted here. If the Consultants consist only of one entity, this Clause SC 1.8 should be deleted from the SC.]

1.9 The Authorized Representatives are:

For the Client: _____

For the Consultants: _____

[1.10] The Client warrants that the Consultants, the Subconsultants and the Personnel shall be exempt from (or that the Client shall pay on behalf of the Consultants, the Subconsultants and the Personnel, or shall reimburse the Consultants, the Subconsultants and the Personnel for) any taxes, duties, fees, levies and other impositions imposed, under the Applicable Law, on the Consultants, the Subconsultants and the Personnel in respect of:

- (a) any payments whatsoever made to the Consultants, Subconsultants and the Personnel (other than nationals of the Government or permanent residents of the Government's country), in connection with the carrying out of the Services;
- (b) any equipment, materials and supplies brought into the Government's country by the Consultants or Subconsultants for the purpose of carrying out the Services and which, after having been brought into such territories, will be subsequently withdrawn therefrom by them;
- (c) any equipment imported for the purpose of carrying out the Services and paid for out of funds provided by the Client and which is treated as property of the Client;
- (d) any property brought into the Government's country by the Consultants, any Subconsultants or the Personnel (other than nationals of the Government or permanent residents of the Government's country), or the eligible dependents of such

Personnel for their personal use and which will subsequently be withdrawn therefrom by them upon their respective departure from the Government's country, provided that:

- (1) the Consultants, Subconsultants and Personnel, and their eligible dependents, shall follow the usual customs procedures of the Government in importing property into the Government's country; and
- (2) if the Consultants, Subconsultants or Personnel, or their eligible dependents, do not withdraw but dispose of any property in the Government's country upon which customs duties and taxes have been exempted, the Consultants, Subconsultants or Personnel, as the case may be, (i) shall bear such customs duties and taxes in conformity with the regulations of the Government, or (ii) shall reimburse them to the Client if they were paid by the Client at the time the property in question was brought into the Government's country.

Note: While the Bank does not reimburse payments for duties and taxes levied by the borrowing country (see Section 5.08 of the General Conditions Applicable to Loan and Guarantee Agreements), it leaves it to the Client to decide whether the Consultants (i) should have to pay levies of this kind without reimbursement by the Client, (ii) should be exempted from any such levies, or (iii) should be reimbursed by the Client for any such levies they might have to pay (or that the Client would pay such levies on behalf of the Consultants and the Personnel). In the first case, this Clause SC 1.10 should be deleted from the SC; in the second and third case, this Clause SC 1.10 should be used in the SC.

The Consultants must be informed about which alternative the Client wishes to apply before they are to submit their financial proposal. If the first alternative is to apply, the Consultants should be provided with the information necessary to allow them to calculate their approximate liability for the applicable taxes, duties and impositions.]

[2.1

The effectiveness conditions are the following:

Note: List here any conditions of effectiveness of the Contract, e.g., approval of the Contract by the Bank, Client's approval of Consultants' proposals for appointment of specified key staff members, effectiveness of Bank Loan/IDA Credit, receipt by Consultants of advance payment and by Client of advance payment

guarantee (see Clause SC 6.4(a)), etc. If there are no effectiveness conditions, delete this Clause SC 2.1 from the SC.]

2.2 The time period shall be *[length of time]* or such other time period as the parties may agree in writing.

Note: Fill in the time period, e.g., “four months.”

2.3 The time period shall be *[length of time]* or such other time period as the parties may agree in writing.

Note: Fill in the time period, e.g., “four months.”

2.4 The time period shall be *[length of time]* or such other time period as the parties may agree in writing.

Note: Fill in the time period, e.g., “four months.”

[3.2.4(b)] *Note: It is essential that Consultants who advise Clients on the privatization of state owned enterprises or other assets (or on related problems), be prohibited from “switching sides” upon completion of their assignment and then either appearing as purchaser of these enterprises/assets or advising potential purchasers in this context. In these situations, the following provision must be used:*

“For a period of two years after the expiration of this Contract, the Consultants shall not engage, and shall cause their Personnel as well as their Subconsultants and their Personnel not to engage, in the activity of a purchaser (directly or indirectly) of the assets on which they advised the Client under this Contract nor in the activity of an adviser (directly or indirectly) of potential purchasers of such assets. The Consultants also agree that their affiliates shall be disqualified for the same period of time from engaging in the said activities.”]

[3.4] *Note: Proposals to introduce exclusions/limitations of the Consultants’ liability under the Contract should be carefully scrutinized by Borrowers/Clients. In this regard the parties should be aware of the Bank’s policy on this matter which is as follows:*

1. *If the Parties agree that the Consultants’ liability should simply be governed by the Applicable Law, they should delete this Clause SC 3.4 from the SC.*
2. *If the Parties wish to limit or to partially exclude the*

Consultants' liability to the Client, they should note that, to be acceptable to the Bank, any limitation of the Consultants' liability should at the very least be reasonably related to (a) the damage the Consultants might potentially cause to the Client, and (b) the Consultants' ability to pay compensation using their own assets and reasonably obtainable insurance coverage. The Consultants' liability should not be limited to less than (i) the estimated total payments to the Consultants under the Contract for remuneration and reimbursables, or (ii) the proceeds the Consultants may be entitled to receive from any insurance they maintain to cover such liability, whichever of (i) or (ii) is higher. A statement to the effect that the Consultants are liable only for the re-performance of faulty Services is not acceptable to the Bank. Also, the Consultants' liability should never be limited for loss or damage caused by the Consultants' gross negligence or willful misconduct. Consequently, the Bank would accept the following provisions with respect to the Consultants' liability, which the Parties could introduce here in the SC as Clause SC 3.4 as follows:

“3.4 Limitation of the Consultants' Liability towards the Client

- (a) Except in case of gross negligence or willful misconduct on the part of the Consultants or on the part of any person or firm acting on behalf of the Consultants in carrying out the Services, the Consultants, with respect to damage caused by the Consultants to the Client's property, shall not be liable to the Client:
 - (i) for any indirect or consequential loss or damage; and
 - (ii) for any direct loss or damage that exceeds (A) the total payments for professional fees and reimbursable expenditures made or expected to be made to the Consultants hereunder, or (B) the proceeds the Consultants may be entitled to receive from any insurance maintained by the Consultants to cover such a liability, whichever of (A) or (B) is higher.
- (b) This limitation of liability shall not affect the Consultants' liability, if any, for damage to Third Parties caused by the Consultants or any person or firm acting on behalf of the Consultants in carrying out the Services.”

3. *The Bank does not accept a provision to the effect that the Client*

shall indemnify and hold harmless the Consultants against third party claims, except, of course, if a claim is based on loss or damage caused by a default or wrongful act of the Client.]

3.5

The risks and the coverages shall be as follows:

- (a) Third Party motor vehicle liability insurance in respect of motor vehicles operated in the Government's country by the Consultants or their Personnel or any Subconsultants or their Personnel, with a minimum coverage of *[amount]*;
- (b) Third Party liability insurance, with a minimum coverage of *[amount]*;
- (c) professional liability insurance, with a minimum coverage of *[amount]*;
- (d) employer's liability and workers' compensation insurance in respect of the Personnel of the Consultants and of any Subconsultant, in accordance with the relevant provisions of the Applicable Law, as well as, with respect to such Personnel, any such life, health, accident, travel or other insurance as may be appropriate; and
- (e) insurance against loss of or damage to (i) equipment purchased in whole or in part with funds provided under this Contract, (ii) the Consultants' property used in the performance of the Services, and (iii) any documents prepared by the Consultants in the performance of the Services.

Note: Delete what is not applicable.

[3.6

Note: Where price is not an evaluation criterion in the selection of the Consultants, and the text set forth after Note 1 to Clause SC 6.2(b) is therefore used in the SC, the text set forth below should be used as Clause SC 3.6 in the SC. Where price is an evaluation criterion, there is no need for a Clause SC 3.6 in the SC.

The bases for time changes and costs referred to in Clause GC 3.6 shall include the bases of the Consultants' representations referred to in Clause SC 6.2(b).]

[3.7(c) The other actions are:

Note: If there are no other actions, delete this Clause SC 3.7 from the SC. If the Services consist of civil works, the following should be added here:

“(i) taking any action under a civil works contract designating the Consultants as “Engineer,” for which action, pursuant to such civil works contract, the written approval of the Client as “Employer” is required.”

(ii) ...”]

[3.9

Note: If there is to be no restriction on the future use of these documents by either Party, this Clause SC 3.9 should be deleted from the SC. If the Parties wish to restrict such use, any of the following options—or any other option agreed to by the Parties—could be used:

- “The Consultants shall not use these documents for purposes unrelated to this Contract without the prior written approval of the Client.”
- “The Client shall not use these documents for purposes unrelated to this Contract without the prior written approval of the Consultants.”
- “Neither Party shall use these documents for purposes unrelated to this Contract without the prior written approval of the other Party.”]

[4.6

Note: If there is a resident project manager, state here: “The person designated as resident project manager in Appendix C shall serve in that capacity, as specified in Clause GC 4.6.” If there is no such manager, delete this Clause SC 4.6 from the SC.]

[5.1

Note: List here any changes or additions to Clause GC 5.1. If there are no such changes or additions, delete this Clause SC 5.1 from the SC.]

6.1(b)

The ceiling in foreign currency or currencies is: *[amount]*

The ceiling in local currency is: *[amount]*

[6.2(a)]

Note: In order to adjust the remuneration for foreign and/or local inflation, a price adjustment provision should be included here if the contract has a duration of more than 18 months or if the foreign or local inflation is expected to exceed 5% per annum. The adjustment should be made every 12 months after the date of the contract for remuneration in foreign currency and—except if there is very high inflation in the Client’s country, in which case more frequent adjustments should be provided for—at the same intervals for remuneration in local currency. Remuneration in foreign currency should be adjusted by using the relevant index for salaries in the country of the respective foreign currency (which normally is the country of the Consultants) and remuneration in local currency by using the corresponding index for the Client’s country. A sample provision is provided below for guidance:

“Payments for remuneration made in accordance with Clause GC 6.2(a) in [foreign and/or] [local] currency shall be adjusted as follows:

- (i) Remuneration paid in foreign currency pursuant to the rates set forth in Appendix G shall be adjusted every 12 months (and, the first time, with effect for the remuneration earned in the 13th calendar month after the date of the Contract) by applying the following formula:

$$R_f = R_{fo} \times \frac{I_f}{I_{fo}}$$

where R_f is the adjusted remuneration, R_{fo} is the remuneration payable on the basis of the rates set forth in Appendix G for remuneration payable in foreign currency, I_f is the official index for salaries in the country of the foreign currency for the first month for which the adjustment is supposed to have effect, and I_{fo} is the official index for salaries in the country of the foreign currency for the month of the date of the Contract.

- (ii) Remuneration paid in local currency pursuant to the rates set forth in Appendix H shall be adjusted every [number] months (and, for the first time, with effect for the remuneration earned in the [number]th calendar month after the date of the Contract) by applying the following formula:

$$R_l = R_{lo} \times \frac{I_l}{I_{lo}}$$

where R_l is the adjusted remuneration, R_{l_0} is the remuneration payable on the basis of the rates set forth in Appendix H for remuneration payable in local currency, I_l is the official index for salaries in the Client's country for the first month for which the adjustment is to have effect and, I_{l_0} is the official index for salaries in the Client's country for the month of the date of the Contract.”]

6.2(b)(i)

Note 1: Where price is not an evaluation criterion in the selection of Consultants, the Client must request the Consultants to submit certain representations about the Consultants' salary and related costs, which representations are then used by the parties when negotiating the applicable remuneration rates. In this case, the text set forth below should be used as Clause SC 6.2(b)(i) in the SC.

- (1) It is understood (i) that the remuneration rates shall cover (A) such salaries and allowances as the Consultants shall have agreed to pay to the Personnel as well as factors for social charges and overhead based on the Consultants' average costs, as represented by the financial statements of the Consultants' latest three fiscal years, (B) the cost of backstopping by home office staff not included in the Personnel listed in Appendix C, and (C) the Consultants' fee, (ii) that bonuses or other means of profit-sharing shall not be allowed as an element of overhead, and (iii) that any rates specified for persons not yet appointed shall be provisional and shall be subject to revision, with the written approval of the Client, once the applicable salaries and allowances are known.
- (2) Remuneration for periods of less than one month shall be calculated on an hourly basis for actual time spent in the Consultants' home office and directly attributable to the Services (one hour being equivalent to 1/240th of a month) and on a calendar-day basis for time spent away from home office (one day being equivalent to 1/30th of a month).
- (3) The remuneration rates have been agreed upon based on the representations made by the Consultants during the negotiation of this Contract with respect to the Consultants' costs and charges referred to in subparagraph (1) of this Clause SC 6.2(b)(i), as such representations are evidenced (i) by the form “Consultants' Representations regarding Costs and Charges,” dated [Fill in the date of the Form properly executed by the Consultants], which was submitted by the Consultants to the Client during such negotiation [Note: A model of such a form is attached at the end of these SC as Model Form I. When inviting the selected Consultants for contract negotiation, the Client should request the Consultants to

submit this Form no later than at the beginning of the negotiation, properly filled in and executed, and together with the necessary salary slips], and (ii) by the form “Breakdown of Agreed Fixed Rates in Consultants’ Contract,” dated [Fill in the date of the Form properly executed by the Consultants], which was executed by the Consultants at the conclusion of such negotiation [Note: A model of such a form is attached at the end of these SC as Model Form II. The Consultants should be requested to execute this Form at the conclusion of the contract negotiation when the Parties have agreed on the fixed rates and their breakdown.]. Should these representations be found by the Client (either through inspections or audits pursuant to Clause GC 3.6 hereof or through other means) to be materially incomplete or inaccurate, the Client shall be entitled to introduce appropriate modifications in the remuneration rates affected by such materially incomplete or inaccurate representations. Any such modification shall have retroactive effect and, in case remuneration has already been paid by the Client before any such modification, (i) the Client shall be entitled to offset any excess payment against the next monthly payment to the Consultants, or (ii) if there are no further payments to be made by the Client to the Consultants, the Consultants shall reimburse to the Client any excess payment within thirty (30) days of receipt of a written claim of the Client. Any such claim by the Client for reimbursement must be made within twelve (12) calendar months after receipt by the Client of a final report and a final statement approved by the Client in accordance with Clause GC 6.4(d) of this Contract.

***Note 2:** Where price is an evaluation criterion, the above representations are not required, and the text set forth below should be used as Clause SC 6.2(b)(i) in the SC.*

- (1) It is understood (i) that the remuneration rates shall cover (A) such salaries and allowances as the Consultants shall have agreed to pay to the Personnel as well as factors for social charges and overhead, (B) the cost of backstopping by home office staff not included in the Personnel listed in Appendix C, and (C) the Consultants’ fee, (ii) that bonuses or other means of profit-sharing shall not be allowed as an element of overhead, and (iii) that any rates specified for persons not yet appointed shall be provisional and shall be subject to revision, with the written approval of the Client, once the applicable salaries and allowances are known.
- (2) Remuneration for periods of less than one month shall be calculated on an hourly basis for actual time spent in the Consultants’ home office and directly attributable to the Services

(one hour being equivalent to 1/240th of a month) and on a calendar-day basis for time spent away from home office (one day being equivalent to 1/30th of a month).

6.2(b)(ii) The rates for foreign [and local] Personnel are set forth in Appendix G [and the rates for local Personnel, in Appendix H].

Note: Select the correct wording, depending on whether local Personnel is paid in foreign or local currency—see Clause SC 6.3(b)(i).

6.3(a) The foreign currency [currencies] shall be the following:

(i) [name of foreign currency]

(ii) [name of foreign currency]

6.3(b)(i) Remuneration for foreign [and local] Personnel shall be paid in foreign currency [and remuneration for local Personnel shall be paid in local currency].

Note: Select the correct wording—see Clause SC 6.2(b)(ii).

6.3(b)(ii) The reimbursable expenditures in foreign currency shall be the following:

- (1) a per diem allowance for each of the foreign or local Personnel for every day in which such Personnel shall be absent from his home office and shall be outside the country of the Government for the purpose of the Services at the daily rate specified in Appendix G;
- (2) the following transportation costs:
 - (i) the cost of international transportation of the foreign Personnel and, as specified below, eligible dependents of the foreign Personnel, by the most appropriate means of transport and the most direct practicable route to and from the Consultants' home office; in the case of air travel, this shall be by less than first class;
 - (ii) for any foreign Personnel spending twenty-four (24) consecutive months or more in the Government's country, one extra round trip will be reimbursed for every twenty-four (24) months of assignment in the Government's country. Such Personnel will be entitled to such extra round

trip only if upon their return to the Government's country, such Personnel are scheduled to serve for the purposes of the Project for a further period of not less than six (6) consecutive months;

- (iii) the cost of transportation to and from the Government's country of eligible dependents who shall be the spouse and not more than two (2) unmarried dependent children under eighteen (18) years of age of those of the foreign Personnel assigned to resident duty in the Government's country for the purpose of the Services for periods of six (6) consecutive months or longer, provided that the stay of such dependents in the Government's country shall have been for not less than three (3) consecutive months, duration. If the assignment period for resident staff of the foreign Personnel will be thirty (30) months or more, one extra economy class air trip for their eligible dependents for every twenty-four (24)-month assignment will be reimbursed;
 - (iv) for the air travel of each of the foreign Personnel, and each eligible dependent, the cost of excess baggage up to twenty (20) kilograms per person, or the equivalent in cost of unaccompanied baggage or air freight; and
 - (v) miscellaneous travel expenses such as the cost of transportation to and from airports, airport taxes, passport, visas, travel permits, vaccinations, etc., at a fixed unit price per round trip as specified in Appendix G;
- (3) the cost of communications (other than those arising in the Government's country) reasonably required by the Consultants for the purposes of the Services;
 - (4) the cost of printing, reproducing and shipping of the documents, reports, drawings, etc. specified in Appendices A and B hereof;
 - (5) the cost of acquisition, shipment and handling of the following equipment, instruments, materials and supplies required for the Services: *[amount]*;
 - (6) the cost of shipment of personal effects up to *[amount]*;
 - (7) the cost of programming and use of, and communication between, the computers for the purposes of the Services at the rate set forth in Appendix G;

- (8) the cost of training of the Client's personnel outside the Government's country, as specified in Appendix G;
- (9) the cost of laboratory tests on materials, model tests and other technical services authorized or requested by the Client, as specified in Appendix G;
- (10) the foreign currency cost of any subcontract required for the Services and approved in writing by the Client;
- (11) the cost of items not covered in the foregoing but which may be required by the Consultants for completion of the Services, subject to the prior authorization in writing by the Client; and
- (12) any such additional payments in foreign currency for properly procured items as the Parties may have agreed upon pursuant to the provisions of Clause GC 6.1(c).

Note: Items that are not applicable should be deleted; others may be added.

6.3(b)(iii)

The reimbursable expenditures in local currency shall be the following:

- (1) a per diem allowance at a rate in local currency equivalent to [name agreed foreign currency specified in Clause SC 6.1(b)] per day, for each of the short-term foreign Personnel (i.e., with less than twelve (12) months consecutive stay in the Government's country) for the first ninety (90) days during which such Personnel shall be in the Government's country;
- (2) a per diem allowance at a rate in local currency equivalent to [name agreed foreign currency specified in Clause SC 6.1(b)] per day, for each of the short-term foreign Personnel for each day in excess of ninety (90) days during which such Personnel shall be in the Government's country;
- (3) a living allowance for each of the long-term foreign Personnel (twelve (12) months or longer consecutive stay in the Government's country) at the rates specified in Appendix H;
- (4) the cost of the following locally procured items: local transportation, office accommodations, camp facilities, camp services, subcontracted services, soil testing, equipment rentals, supplies, utilities and communication charges arising in the

Government's country, all if and to the extent required for the purpose of the Services, at rates specified in Appendix H;

- (5) the cost of equipment, materials and supplies to be procured locally in the Government's country as specified in Appendix H;
- (6) the local currency cost of any subcontract required for the Services and approved in writing by the Client;
- (7) any such additional payments in local currency for properly procured items as the Parties may have agreed upon pursuant to the provisions of Clause GC 6.1(c); and
- (8) the cost of such further items as may be required by the Consultants for the purpose of the Services, as agreed in writing by the Client.

Note: Items that are not applicable should be deleted; others may be added, like e.g., a provision drafted along the lines of paragraph (2) of Clause SC 6.3(b)(ii) in case local Personnel have to work for extended time periods at considerable distance from their normal duty station.

6.4(a) The following provisions shall apply to the advance payment and the advance payment guarantee:

- (1) An advance payment [of *[amount]* in foreign currency] [and of *[amount]* in local currency] [*Note: The advance payment could be in either or both of the currencies*] shall be made within *[number]* days after the Effective Date. The advance payment will be set off by the Client in equal installments against the statements for the first *[number]* months of the Services until the advance payment has been fully set off.
- (2) The bank guarantee shall be in the amount and in the currency of the [foreign] [local] currency portion of the advance payment [*Note: Select the applicable solution*].

6.4(c) The interest rate is: *[rate]*

6.4(e) The accounts are:

for foreign currency: *[insert account]*

for local currency: *[insert account]*

8.2

Disputes shall be settled by arbitration in accordance with the following provisions:

1. Selection of Arbitrators. Each dispute submitted by a Party to arbitration shall be heard by a sole arbitrator or an arbitration panel composed of three arbitrators, in accordance with the following provisions:
 - (a) Where the Parties agree that the dispute concerns a technical matter, they may agree to appoint a sole arbitrator or, failing agreement on the identity of such sole arbitrator within thirty (30) days after receipt by the other Party of the proposal of a name for such an appointment by the Party who initiated the proceedings, either Party may apply to *[name an appropriate international professional body, e.g., the Federation Internationale des Ingenieurs-Conseil (FIDIC) of Lausanne, Switzerland]* for a list of not fewer than five nominees and, on receipt of such list, the Parties shall alternately strike names therefrom, and the last remaining nominee on the list shall be the sole arbitrator for the matter in dispute. If the last remaining nominee has not been determined in this manner within sixty (60) days of the date of the list, *[insert the name of the same professional body as above]* shall appoint, upon the request of either Party and from such list or otherwise, a sole arbitrator for the matter in dispute.
 - (b) Where the Parties do not agree that the dispute concerns a technical matter, the Client and the Consultants shall each appoint one arbitrator, and these two arbitrators shall jointly appoint a third arbitrator, who shall chair the arbitration panel. If the arbitrators named by the Parties do not succeed in appointing a third arbitrator within thirty (30) days after the latter of the two arbitrators named by the Parties has been appointed, the third arbitrator shall, at the request of either Party, be appointed by *[name an appropriate international appointing authority, e.g., the Secretary General of the Permanent Court of Arbitration, The Hague; the Secretary General of the International Centre for Settlement of Investment Disputes, Washington, D.C.; the International Chamber of Commerce, Paris; etc.]*.
 - (c) If, in a dispute subject to Clause SC 8.2 1.(b), one Party fails to appoint its arbitrator within thirty (30) days after the other Party has appointed its arbitrator, the Party which has named an arbitrator may apply to the *[name the same appointing*

authority as in Clause SC 8.2 1.(b)] to appoint a sole arbitrator for the matter in dispute, and the arbitrator appointed pursuant to such application shall be the sole arbitrator for that dispute.

2. Rules of Procedure. Except as stated herein, arbitration proceedings shall be conducted in accordance with the rules of procedure for arbitration of the United Nations Commission on International Trade Law (UNCITRAL) as in force on the date of this Contract.
3. Substitute Arbitrators. If for any reason an arbitrator is unable to perform his function, a substitute shall be appointed in the same manner as the original arbitrator.
4. Nationality and Qualifications of Arbitrators. The sole arbitrator or the third arbitrator appointed pursuant to paragraphs (a) through (c) of Clause SC 8.2 1 hereof shall be an internationally recognized legal or technical expert with extensive experience in relation to the matter in dispute and shall not be a national of the Consultants' home country [*Note: If the Consultants consist of more than one entity, add: or of the home country of any of their Members*] or of the Government. For the purposes of this Clause, "home country" means any of:
 - (a) the country of incorporation of the Consultants [*Note: If the Consultants consist of more than one entity, add: or of any of their Members*]; or
 - (b) the country in which the Consultants' [or any of their Members'] principal place of business is located; or
 - (c) the country of nationality of a majority of the Consultants' [or of any Members'] shareholders; or
 - (d) the country of nationality of the Subconsultant concerned, where the dispute involves a subcontract.
5. Miscellaneous. In any arbitration proceeding hereunder:
 - (a) proceedings shall, unless otherwise agreed by the Parties, be held in [*location*];

- (b) the [type of language] language shall be the official language for all purposes; and
- (c) the decision of the sole arbitrator or of a majority of the arbitrators (or of the third arbitrator if there is no such majority) shall be final and binding and shall be enforceable in any court of competent jurisdiction, and the Parties hereby waive any objections to or claims of immunity in respect of such enforcement.

Note: The Bank requires that contracts financed by it include choice of law and dispute settlement provisions. The Bank feels that international commercial arbitration as provided in the above Clause has substantial advantages for both parties over other dispute settlement provisions, and it strongly recommends its borrowers to use the above Clause. Nevertheless, if the relevant provisions are clear and fair to both parties, the Bank will not object if borrowers decide to substitute another dispute settlement provision for the above Clause.

MODEL FORM I
See Clause SC 6.2(b)(i)

Consulting Firm:
Assignment:

Country:
Date:

Consultants' Representations Regarding Costs and Charges

We hereby confirm that (a) the basic salaries indicated below are taken from the firm's payroll records and reflect the current salaries of the staff members listed which have not been raised other than within the normal annual salary increase policy as applied to all the firm's staff; (b) attached are true copies of the latest salary slips of the staff members listed; (c) the away from headquarters allowances indicated below are those that the Consultants have agreed to pay for this assignment to the staff members listed; (d) the factors listed below for social charges and overhead are based on the firm's average cost experiences for the latest three years as represented by the firm's financial statements; and (e) said factors for overhead and social charges do not include any bonuses or other means of profit-sharing.

(Expressed in *[name of currency]*)

Name	Position	Basic Salary per Working Month/Day/Year <i>(a)</i>	Social Charges ¹ <i>(b)</i>	Overhead ¹ <i>(c)</i>	Away from Headquarters Allowance <i>(f)</i>
etc.					

¹ Expressed as a percentage of *(a)*.

[Name of Consulting Firm]

Signature of Authorized Representative

Date

Name: _____

Title: _____

Note: For field staff, use Basic Salary per Working Month; for home office staff, Basic Salary per Working Day or Hour. For field staff, also fill in Away from Headquarters Allowance, if any. This form (and the one on the next page) should not be part of the signed Contract but should be executed by the Consultants separately. See Notes in Clause SC 6.2(b)(i).

MODEL FORM II

See Notes to Form on preceding page and to Clause SC 6.2(b)(i)

Breakdown of Agreed Fixed Rates in Consultants' Contract

We hereby confirm that we have agreed to pay to the staff members listed, who will be involved in this assignment, the basic salaries and away from headquarters allowances (if applicable) indicated below:

(Expressed in *[name of currency]*)

Name	Position	Basic Salary per Working Month/Day/Year <i>(a)</i>	Social Charges ¹ <i>(b)</i>	Overhead ¹ <i>(c)</i>	Subtotal <i>(d)</i>	Fee ² <i>(e)</i>	Away from Headquarters Allowance <i>(f)</i>	Agreed Fixed Rate per Working Month/Day/Hour <i>(g)</i>	Agreed Fixed Rate ¹ <i>(h)</i>
etc.									

¹ Expressed as a percentage of *(a)*.
² Expressed as a percentage of *(d)*.

Signature

Date

Name: _____

Title: _____

IV. Appendices

APPENDIX A—DESCRIPTION OF THE SERVICES

Give detailed descriptions of the Services to be provided, dates for completion of various tasks, place of performance for different tasks, specific tasks to be approved by Client, etc.

APPENDIX B—REPORTING REQUIREMENTS

List format, frequency, and contents of reports; persons to receive them; dates of submission; etc. If no reports are to be submitted, state here “Not applicable.”

APPENDIX C—KEY PERSONNEL AND SUBCONSULTANTS

- List under:*
- C-1 Titles [and names, if already available], detailed job descriptions and minimum qualifications of Key foreign Personnel to be assigned to work in the Government’s country, and staff-months for each.*
 - C-2 Same information as C-1 for Key local Personnel.*
 - C-4 Same as C-1 for Key Personnel to be assigned to work outside the Government’s country.*
 - C-4 List of approved Subconsultants (if already available); same information with respect to their Personnel as in C-1 through C-4.*

APPENDIX D—MEDICAL CERTIFICATE

Show here an acceptable form of medical certificate for foreign Personnel to be stationed in the Government's country. If there is no need for a medical certificate, state here "Not applicable."

APPENDIX E—HOURS OF WORK FOR KEY PERSONNEL

List here the hours of work for Key Personnel; travel time to and from the country of the Government for foreign Personnel (Clause GC 4.4(a)); entitlement, if any, to overtime pay, sick leave pay, vacation leave pay, etc.

APPENDIX F—DUTIES OF THE CLIENT

- List under:*
- F-1 Services, facilities and property to be made available to the Consultants by the Client.*
 - F-2 Counterpart personnel to be made available to the Consultants by the Client.*

APPENDIX G—COST ESTIMATES IN FOREIGN CURRENCY

List hereunder cost estimates in foreign currency:

1.
 - (a) *Monthly rates for foreign Personnel (Key Personnel and other Personnel)*
 - (b) *Monthly rates for local Personnel (Key Personnel and other Personnel).*
Note: This should be added if local Personnel is also being paid in foreign currency.

2. *Reimbursable expenditures*
 - (a) *Per diem allowances.*
 - (b) *Air transport for foreign Personnel.*
 - (c) *Air transport for dependents.*
 - (d) *Transport of personal effects.*
 - (e) *International communications.*
 - (f) *Printing of documents specified in Appendices A and B hereof.*
 - (g) *Acquisition of specified equipment and materials to be imported by the Consultants and to be paid for by the Client (including transportation to the Government's country).*
 - (h) *Other foreign currency expenditures, like use of computers, foreign training of Client's staff, various tests, etc.*

APPENDIX H—COST ESTIMATES IN LOCAL CURRENCY

List hereunder cost estimates in local currency:

1. *Monthly rates for local Personnel (Key Personnel and other Personnel)*

2. *Reimbursable expenditures as follows:*
 - (a) *Per diem rates for subsistence allowance for foreign short-term Personnel, plus estimated totals.*
 - (b) *Living allowances for long-term foreign Personnel, plus estimated totals.*
 - (c) *Cost of local transportation.*
 - (d) *Cost of other local services, rentals, utilities, etc.*

APPENDIX I—FORM OF BANK GUARANTEE FOR ADVANCE PAYMENTS

Note: See Clause GC 6.4(a) and Clause SC 6.4(a). The Client should insert here an acceptable form of a bank guarantee. An example is set forth below.

TO: *[Name and Address of Client]*
 [Name of Contract for Consultants' Services]

Gentlemen:

In accordance with the provisions of Clauses GC 6.4(a) and SC 6.4(a) of the above-mentioned Contract (hereinafter called "the Contract"), *[name and address of Consultants]* (hereinafter called "the Consultants") shall deposit with *[name of Client]* a bank guarantee to guarantee their proper and faithful performance under the said provisions of the Contract in an amount of *[amount of Guarantee]*, *[amount of Guarantee in words]*.³

We, the *[bank or financial institution]*, as instructed by the Consultants, agree unconditionally and irrevocably to guarantee as primary obligor and not as Surety merely, the payment to *[name of Client]* on his first demand without whatsoever right of objection on our part and without his first claim to the Consultants, in the amount not exceeding *[amount of Guarantee]*, *[amount of Guarantee in words]*.

We further agree that no change or addition to or other modification of the terms of the Contract which may be made between *[name of Client]* and the Consultants, shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition or modification.

This guarantee shall remain valid and in full effect from the date of the advance payment under the Contract until *[name of Client]* receives full repayment of the same amount from the Consultants.

Yours truly,

Signature and Seal

Name of Bank/Financial Institution

Address

Date

³ An amount is to be inserted by the bank or financial institution as specified in Clause SC 6.4(a).

ANNEX II

STANDARD FORM OF CONTRACT

Consultants' Services

Lump-Sum Remuneration

The World Bank
Washington, D.C.

June 1995
Revised July 1997

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Preface

1. This standard contract for Consultants' Services has been prepared by the World Bank for use by its borrowers and their implementing agencies (referred to hereafter as Clients) when they hire consulting firms to provide services paid on the basis of lump-sum remuneration. In such case, the use of this contract is mandatory for contracts financed partly or wholly by the World Bank.
2. Lump-sum contracts are used when definition of the tasks to be performed is clear and unambiguous, when the commercial risk taken by the Consultants is minimal, and when therefore such Consultants are prepared to perform the assignment for an agreed predetermined lump-sum price. Such price is arrived at on the basis of inputs—including rates—provided by the Consultants. The Client agrees to pay the Consultants according to a schedule of payments linked to the delivery of certain outputs, usually reports. A major advantage of the lump-sum contract is the simplicity of its administration, the Client having only to be satisfied with the outputs without monitoring the staff inputs. Studies are usually carried out on a lump-sum basis: for example, master plans, economic, sector, feasibility, engineering studies, and surveys.
3. The Contract includes four parts: the Form of Contract, the General Conditions of Contract, the Special Conditions of Contract, and the Appendices. The Client using this standard contract should not alter the General Conditions. Any adjustment to meet project features should be made only in the Special Conditions.

CONTRACT FOR CONSULTANTS' SERVICES
Lump-Sum Remuneration

between

[name of the Client]

and

[name of the Consultants]

Dated: _____

I. Form of Contract

LUMP-SUM REMUNERATION

This CONTRACT (hereinafter called the “Contract”) is made the [day] day of the month of [month], [year], between, on the one hand, [name of client] (hereinafter called the “Client”) and, on the other hand, [name of consultants] (hereinafter called the “Consultants”).

[*Note: If the Consultants consist of more than one entity, the above should be partially amended to read as follows: “...(hereinafter called the “Client”) and, on the other hand, a joint venture consisting of the following entities, each of which will be jointly and severally liable to the Client for all the Consultants’ obligations under this Contract, namely, [name of consultants] and [name of consultants] (hereinafter called the “Consultants”).*]¹

WHEREAS

- (a) the Client has requested the Consultants to provide certain consulting services as defined in the General Conditions of Contract attached to this Contract (hereinafter called the “Services”);
- (b) the Consultants, having represented to the Client that they have the required professional skills, and personnel and technical resources, have agreed to provide the Services on the terms and conditions set forth in this Contract;
- (c) the Client has received [or has applied for] a loan from the International Bank for Reconstruction and Development (hereinafter called the “Bank”) [or a credit from the International Development Association (hereinafter called the “Association”)] towards the cost of the Services and intends to apply a portion of the proceeds of this loan [or credit] to eligible payments under this Contract, it being understood (i) that payments by the Bank [or Association] will be made only at the request of the Client and upon approval by the Bank [or Association], (ii) that such payments will be subject, in all respects, to the terms and conditions of the agreement providing for the loan [or credit], and (iii) that no party other than the Client shall derive any rights from the agreement providing for the loan [or credit] or have any claim to the loan [or credit] proceeds;

¹ Text in brackets is optional; all notes should be deleted in final text.

NOW THEREFORE the parties hereto hereby agree as follows:

1. The following documents attached hereto shall be deemed to form an integral part of this Contract:

- (a) The General Conditions of Contract;
- (b) The Special Conditions of Contract;
- (c) The following Appendices: [*Note: If any of these Appendices are not used, the words "Not Used" should be inserted below next to the title of the Appendix and on the sheet attached hereto carrying the title of that Appendix.*]

Appendix A: Description of the Services	<input type="checkbox"/>	Not used
Appendix B: Reporting Requirements	<input type="checkbox"/>	Not used
Appendix C: Key Personnel and Subconsultants	<input type="checkbox"/>	Not used
Appendix D: Breakdown of Contract Price in Foreign Currency	<input type="checkbox"/>	Not used
Appendix E: Breakdown of Contract Price in Local Currency	<input type="checkbox"/>	Not used
Appendix F: Services and Facilities Provided by the Client	<input type="checkbox"/>	Not used

2. The mutual rights and obligations of the Client and the Consultants shall be as set forth in the Contract, in particular:

- (a) The Consultants shall carry out the Services in accordance with the provisions of the Contract; and
- (b) the Client shall make payments to the Consultants in accordance with the provisions of the Contract.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be signed in their respective names as of the day and year first above written.

For and on behalf of *[name of client]*

[Authorized Representative]

For and on behalf of *[name of consultants]*

[Authorized Representative]

[Note: *If the Consultants consist of more than one entity, all these entities should appear as signatories, e.g., in the following manner:]*

For and on behalf of each of the Members of the Consultants

[name of member]

[Authorized Representative]

[name of member]

[Authorized Representative]

II. General Conditions of Contract

1. GENERAL PROVISIONS

1.1 Definitions

Unless the context otherwise requires, the following terms whenever used in this Contract have the following meanings:

- (a) “Applicable Law” means the laws and any other instruments having the force of law in the Government’s country (or in such other country as may be specified in the Special Conditions of Contract (SC)), as they may be issued and in force from time to time;
- (b) “Bank” means the International Bank for Reconstruction and Development, Washington, D.C., U.S.A.;
- or**
- (b) “Association” means the International Development Association, Washington, D.C., U.S.A.;
- (c) “Contract” means the Contract signed by the Parties, to which these General Conditions of Contract (GC) are attached, together with all the documents listed in Clause 1 of such signed Contract;
- (d) “Contract Price” means the price to be paid for the performance of the Services, in accordance with Clause 6;
- (e) “Foreign Currency” means any currency other than the currency of the Government;
- (f) “GC” means these General Conditions of Contract;
- (g) “Government” means the Government of the Client’s country;
- (h) “Local Currency” means the currency of the Government;
- (i) “Member,” in case the Consultants consist of a joint venture of more than one entity, means any of these entities; “Members” means all these entities, and “Member in Charge” means the entity specified in the SC to act on their behalf in exercising all the Consultants’ rights and obligations towards the Client under this Contract;

- (j) “Party” means the Client or the Consultants, as the case may be, and “Parties” means both of them;
- (k) “Personnel” means persons hired by the Consultants or by any Subconsultant as employees and assigned to the performance of the Services or any part thereof;
- (l) “SC” means the Special Conditions of Contract by which the GC may be amended or supplemented;
- (m) “Services” means the work to be performed by the Consultants pursuant to this Contract, as described in Appendix A; and
- (n) “Subconsultant” means any entity to which the Consultants subcontract any part of the Services in accordance with the provisions of Clauses 3.5 and 4.

- 1.2 Law Governing the Contract** This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the Applicable Law.
- 1.3 Language** This Contract has been executed in the language specified in the SC, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract.
- 1.4 Notices** Any notice, request, or consent made pursuant to this Contract shall be in writing and shall be deemed to have been made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or when sent by registered mail, telex, telegram, or facsimile to such Party at the address specified in the SC.
- 1.5 Location** The Services shall be performed at such locations as are specified in Appendix A and, where the location of a particular task is not so specified, at such locations, whether in the Government’s country or elsewhere, as the Client may approve.
- 1.6 Authorized Representatives** Any action required or permitted to be taken, and any document required or permitted to be executed, under this Contract by the Client or the Consultants may be taken or executed by the officials specified in the SC.

1.7 Taxes and Duties Unless otherwise specified in the SC, the Consultants, Subconsultants, and their Personnel shall pay such taxes, duties, fees, and other impositions as may be levied under the Applicable Law, the amount of which is deemed to have been included in the Contract Price.

2. COMMENCEMENT, COMPLETION, MODIFICATION, AND TERMINATION OF CONTRACT

2.1 Effectiveness of Contract This Contract shall come into effect on the date the Contract is signed by both parties or such other later date as may be stated in the SC.

2.2 Commencement of Services The Consultants shall begin carrying out the Services thirty (30) days after the date the Contract becomes effective, or at such other date as may be specified in the SC.

2.3 Expiration of Contract Unless terminated earlier pursuant to Clause 2.6, this Contract shall terminate at the end of such time period after the Effective Date as is specified in the SC.

2.4 Modification Modification of the terms and conditions of this Contract, including any modification of the scope of the Services or of the Contract Price, may only be made by written agreement between the Parties and shall not be effective until the consent of the Bank or of the Association, as the case may be, has been obtained.

2.5 Force Majeure

2.5.1 Definition For the purposes of this Contract, “Force Majeure” means an event which is beyond the reasonable control of a Party and which makes a Party’s performance of its obligations under the Contract impossible or so impractical as to be considered impossible under the circumstances.

2.5.2 No Breach of Contract The failure of a Party to fulfill any of its obligations under the contract shall not be considered to be a breach of, or default under, this Contract insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event (a) has taken all reasonable precautions, due care and reasonable alternative measures in order to carry out the terms and conditions of this Contract, and (b) has informed the other Party as soon as possible about the occurrence of such an event.

2.5.3 Extension Any period within which a Party shall, pursuant to this Contract,

of Time complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.

2.5.4 Payments During the period of their inability to perform the Services as a result of an event of Force Majeure, the Consultants shall be entitled to continue to be paid under the terms of this Contract, as well as to be reimbursed for additional costs reasonably and necessarily incurred by them during such period for the purposes of the Services and in reactivating the Service after the end of such period.

2.6 Termination

2.6.1 By the Client The Client may terminate this Contract, by not less than thirty (30) days' written notice of termination to the Consultants, to be given after the occurrence of any of the events specified in paragraphs (a) through (d) of this Clause 2.6.1 and sixty (60) days' in the case of the event referred to in (e):

- (a) if the Consultants do not remedy a failure in the performance of their obligations under the Contract, within thirty (30) days after being notified or within any further period as the Client may have subsequently approved in writing;
- (b) if the Consultants become insolvent or bankrupt;
- (c) if, as the result of Force Majeure, the Consultants are unable to perform a material portion of the Services for a period of not less than sixty (60) days; or
- (d) if the consultant, in the judgment of the client has engaged in corrupt or fraudulent practices in competing for or in executing the Contract.

For the purpose of this clause:

“corrupt practice” means the offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the selection process or in contract execution.

“fraudulent practice” means a misrepresentation of facts in order to influence a selection process or the execution of a contract to the detriment of the Borrower, and includes collusive practice among consultants (prior to or after submission of proposals) designed to establish prices at artificial non-competitive levels and to deprive the Borrower of the

benefits of free and open competition.

- (e) if the Client, in its sole discretion, decides to terminate this Contract.

**2.6.2 By the
Consultants**

The Consultants may terminate this Contract, by not less than thirty (30) days' written notice to the Client, such notice to be given after the occurrence of any of the events specified in paragraphs (a) and (b) of this Clause 2.6.2:

- (a) if the Client fails to pay any monies due to the Consultants pursuant to this Contract and not subject to dispute pursuant to Clause 7 within forty-five (45) days after receiving written notice from the Consultants that such payment is overdue; or
- (b) if, as the result of Force Majeure, the Consultants are unable to perform a material portion of the Services for a period of not less than sixty (60) days.

**2.6.3 Payment
upon
Termination**

Upon termination of this Contract pursuant to Clauses 2.6.1 or 2.6.2, the Client shall make the following payments to the Consultants:

- (a) remuneration pursuant to Clause 6 for Services satisfactorily performed prior to the effective date of termination;
- (b) except in the case of termination pursuant to paragraphs (a) and (b) of Clause 2.6.1, reimbursement of any reasonable cost incident to the prompt and orderly termination of the Contract, including the cost of the return travel of the Personnel and their eligible dependents.

3. OBLIGATIONS OF THE CONSULTANTS

3.1 General

The Consultants shall perform the Services and carry out their obligations with all due diligence, efficiency, and economy, in accordance with generally accepted professional techniques and practices, and shall observe sound management practices, and employ appropriate advanced technology and safe methods. The Consultants shall always act, in respect of any matter relating to this Contract or to the Services, as faithful advisers to the Client, and shall at all times support and safeguard the Client's legitimate interests in any dealings with Subconsultants or third parties.

**3.2 Conflict of
Interests**

- 3.2.1 Consultants Not to Benefit from Commissions, Discounts, etc.** The remuneration of the Consultants pursuant to Clause 6 shall constitute the Consultants' sole remuneration in connection with this Contract or the Services, and the Consultants shall not accept for their own benefit any trade commission, discount, or similar payment in connection with activities pursuant to this Contract or to the Services or in the discharge of their obligations under the Contract, and the Consultants shall use their best efforts to ensure that the Personnel, any Subconsultants, and agents of either of them similarly shall not receive any such additional remuneration.
- 3.2.2 Consultants and Affiliates Not to be Otherwise Interested in Project** The Consultants agree that, during the term of this Contract and after its termination, the Consultants and their affiliates, as well as any Subconsultant and any of its affiliates, shall be disqualified from providing goods, works, or services (other than the Services and any continuation thereof) for any project resulting from or closely related to the Services.
- 3.2.3 Prohibition of Conflicting Activities** Neither the Consultants nor their Subconsultants nor the Personnel shall engage, either directly or indirectly, in any of the following activities:
- (a) during the term of this Contract, any business or professional activities in the Government's country which would conflict with the activities assigned to them under this Contract; or
 - (b) after the termination of this Contract, such other activities as may be specified in the SC.
- 3.3 Confidentiality** The Consultants, their Subconsultants, and the Personnel of either of them shall not, either during the term or within two (2) years after the expiration of this Contract, disclose any proprietary or confidential information relating to the Project, the Services, this Contract, or the Client's business or operations without the prior written consent of the Client.
- 3.4 Insurance to be Taken Out by the Consultants** The Consultants (a) shall take out and maintain, and shall cause any Subconsultants to take out and maintain, at their (or the Subconsultants', as the case may be) own cost but on terms and conditions approved by the Client, insurance against the risks, and for the coverage, as shall be specified in the SC; and (b) at the Client's request, shall provide evidence to the Client showing that such insurance has been taken out and maintained and that the current premiums have been paid.

- 3.5 Consultants' Actions Requiring Client's Prior Approval** The Consultants shall obtain the Client's prior approval in writing before taking any of the following actions:
- (a) entering into a subcontract for the performance of any part of the Services,
 - (b) appointing such members of the Personnel not listed by name in Appendix C ("Key Personnel and Subconsultants"), and
 - (c) any other action that may be specified in the SC.
- 3.6 Reporting Obligations** The Consultants shall submit to the Client the reports and documents specified in Appendix B in the form, in the numbers, and within the periods set forth in the said Appendix.
- 3.7 Documents Prepared by the Consultants to Be the Property of the Client** All plans, drawings, specifications, designs, reports, and other documents and software submitted by the Consultants in accordance with Clause 3.6 shall become and remain the property of the Client, and the Consultants shall, not later than upon termination or expiration of this Contract, deliver all such documents and software to the Client, together with a detailed inventory thereof. The Consultants may retain a copy of such documents and software. Restrictions about the future use of these documents, if any, shall be specified in the SC.

4. CONSULTANTS' PERSONNEL

- 4.1 Description of Personnel** The titles, agreed job descriptions, minimum qualifications, and estimated periods of engagement in the carrying out of the Services of the Consultants' Key Personnel are described in Appendix C. The Key Personnel and Subconsultants listed by title as well as by name in Appendix C are hereby approved by the Client.
- 4.2 Removal and/or Replacement of Personnel**
- (a) Except as the Client may otherwise agree, no changes shall be made in the Key Personnel. If, for any reason beyond the reasonable control of the Consultants, it becomes necessary to replace any of the Key Personnel, the Consultants shall provide as a replacement a person of equivalent or better qualifications.
 - (b) If the Client finds that any of the Personnel have (i) committed serious misconduct or have been charged with having committed a criminal action, or (ii) have reasonable cause to be

dissatisfied with the performance of any of the Personnel, then the Consultants shall, at the Client's written request specifying the grounds thereof, provide as a replacement a person with qualifications and experience acceptable to the Client.

- (c) The Consultants shall have no claim for additional costs arising out of or incidental to any removal and/or replacement of Personnel.

5. OBLIGATIONS OF THE CLIENT

- 5.1 Assistance and Exemptions** The Client shall use its best efforts to ensure that the Government shall provide the Consultants such assistance and exemptions as specified in the SC.
- 5.2 Change in the Applicable Law** If, after the date of this Contract, there is any change in the Applicable Law with respect to taxes and duties which increases or decreases the cost of the services rendered by the Consultants, then the remuneration and reimbursable expenses otherwise payable to the Consultants under this Contract shall be increased or decreased accordingly by agreement between the Parties, and corresponding adjustments shall be made to the amounts referred to in Clauses 6.2 (a) or (b), as the case may be.
- 5.3 Services and Facilities** The Client shall make available to the Consultants the Services and Facilities listed under Appendix F.

6. PAYMENTS TO THE CONSULTANTS

- 6.1 Lump-Sum Remuneration** The Consultant's total remuneration shall not exceed the Contract Price and shall be a fixed lump-sum including all staff costs, Subconsultants' costs, printing, communications, travel, accommodation, and the like, and all other costs incurred by the Consultant in carrying out the Services described in Appendix A. Except as provided in Clause 5.2, the Contract Price may only be increased above the amounts stated in Clause 6.2 if the Parties have agreed to additional payments in accordance with Clause 2.4.
- 6.2 Contract Price**
- (a) The price payable in foreign currency is set forth in the SC.
- (b) The price payable in local currency is set forth in the SC.
- 6.3 Payment for Additional** For the purpose of determining the remuneration due for additional services as may be agreed under Clause 2.4, a breakdown of the lump-

- Services** sum price is provided in Appendices D and E.
- 6.4 Terms and Conditions of Payment** Payments will be made to the account of the Consultants and according to the payment schedule stated in the SC. Unless otherwise stated in the SC, the first payment shall be made against the provision by the Consultants of a bank guarantee for the same amount, and shall be valid for the period stated in the SC. Any other payment shall be made after the conditions listed in the SC for such payment have been met, and the Consultants have submitted an invoice to the Client specifying the amount due.
- 6.5 Interest on Delayed Payments** If the Client has delayed payments beyond fifteen (15) days after the due date stated in the SC, interest shall be paid to the Consultants for each day of delay at the rate stated in the SC.

7. SETTLEMENT OF DISPUTES

- 7.1 Amicable Settlement** The Parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or its interpretation.
- 7.2 Dispute Settlement** Any dispute between the Parties as to matters arising pursuant to this Contract that cannot be settled amicably within thirty (30) days after receipt by one Party of the other Party's request for such amicable settlement may be submitted by either Party for settlement in accordance with the provisions specified in the SC.

III. Special Conditions of Contract

Number of GC Clause ²	Amendments of, and Supplements to, Clauses in the General Conditions of Contract
[1.1(a)]	<p>The words “in the Government’s country” are amended to read “in [name of country].”</p> <p><i>Note: Bank-financed contracts usually designate the law of the Client’s country as the law governing the contract. However, if parties wish to designate the law of another country, the Bank will not object. In the former case, this Clause 1.1(a) should be deleted; in the latter case, the name of the respective country should be inserted in the blank, and the square brackets should be removed.]</i></p>
[1.1(i)]	The Member in Charge is [name of Member].]
1.3	The language is [specify English, French, or Spanish].
1.4	<p>The addresses are:</p> <p>Client: _____</p> <p>Attention: _____</p> <p>Telex: _____</p> <p>Facsimile: _____</p> <p>Consultants: _____</p> <p>Attention: _____</p> <p>Telex: _____</p> <p>Facsimile: _____</p>
1.6	<p>The Authorized Representatives are:</p> <p>For the Client: _____</p> <p>For the Consultants: _____</p>

² Clauses in brackets are optional; all notes should be deleted in final text.

[1.7

The Client warrants that the Consultants and their Personnel (as well as the Subconsultants and their Personnel) shall be exempt from any taxes, duties, fees, levies, and other impositions levied, under the Applicable Law, on the Consultants and the Personnel in respect of:

- (a) any payments made to the Consultants, Subconsultants, and the Personnel of either of them (other than nationals of the Government or permanent residents of the Government's country), in connection with the carrying out of the Services;
- (b) any equipment, materials, and supplies brought into the Government's country by the Consultants or Subconsultants for the purpose of carrying out the Services and which, after having been brought into such territories, will be subsequently withdrawn therefrom by them;
- (c) any equipment imported for the purpose of carrying out the Services and paid for out of funds provided by the Client and which is treated as property of the Client;
- (d) any property brought into the Government's country by the Consultants, any Subconsultants, and the Personnel of either of them (other than nationals of the Government or permanent residents of the Government's country) for their personal use and which will subsequently be withdrawn therefrom by them upon their respective departure from the Government's country.

Note: While the Bank does not reimburse payments for duties and taxes levied by the borrowing country (see Section 5.08 of the General Conditions Applicable to Loan and Guarantee Agreements), it leaves it to the Client to decide whether the Consultants (a) should have to pay levies of this kind without reimbursement by the Client (case (i)), (b) should be exempted from any such levies (case (ii)), (c) should be reimbursed by the Client for any such levies they might have to pay (case (iii)), or (d) should pay such levies on behalf of the Consultants and the Personnel (case (iv)). In the first case, Clause 1.7 should be deleted from the SC; in the second case, Clause 1.7 above should be retained in the SC; in the third and fourth cases, the first and second line of Clause 1.7 above should be further amended to read:

(case (iii)): "...that the Client shall reimburse the Consultants and the Personnel for," or

(case (iv)): "...that the Client shall pay on behalf of the Consultants and the Personnel."]

[2.1 The date on which this Contract shall come into effect is *[date]*.

Note: The date may be specified by reference to conditions of effectiveness of the Contract, such as approval of the Contract by the Bank, effectiveness of Bank Loan/IDA Credit, receipt by Consultants of advance payment and by Client of bank guarantee (see Clause 6.4), etc.]

[2.2 The date for the commencement of Services is *[date]*.]

2.3 The period shall be *[length of time]*.

Note: Fill in the period, e.g., twenty-four (24) months or such other period as the parties may agree in writing.

[3.2.1 *Note: The following should be inserted in the SC or alternatively in Appendix A if the Consultants are advising the Client on the procurement of goods, works, or services:*

“Procurement Rules of Funding Agencies

Furthermore, if the Consultants, as part of the Services, have the responsibility of advising the Client on the procurement of goods, works, or services, the Consultants shall comply with any applicable procurement guidelines of the Bank or of the Association, as the case may be, and other funding agencies and shall at all times exercise such responsibility in the best interest of the Client. Any discounts or commissions obtained by the Consultants in the exercise of such procurement responsibility shall be for the account of the Client.”]

[3.2.3 *Note: It is essential that Consultants who advise Clients on the privatization of state-owned enterprises or other assets (or on related problems), be prohibited from “switching sides” upon completion of their assignment and then either appearing as purchaser of these enterprises/assets or advising potential purchasers in this context. In these situations, the following provision must be added to Clause 3.2.3:*

“For a period of two years after the expiration of this Contract, the Consultants shall not engage, and shall cause their Personnel as well as their Subconsultants and their Personnel not to engage, in the activity of a purchaser (directly or indirectly) of the assets on which they advised the Client under this Contract, nor shall they engage in the activity of an adviser (directly or indirectly) of potential purchasers of such assets.”]

- 3.4** The risks and coverage shall be:
- (i) Third Party motor vehicle _____
 - (ii) Third Party liability _____
 - (iii) Employer's liability and workers' compensation _____
 - (iv) Professional liability _____
 - (v) Loss or damage to equipment and property _____
- [3.5(c)]** *Note: Delete where not applicable.*
- The other actions are _____.]
- [3.7]** *Note: If there is to be no restriction on the future use of these documents by either Party, this Clause 3.7 should be deleted from the SC. If the Parties wish to restrict such use, any of the following options—or any other option agreed to by the Parties—may be used, such as the following:*
- “The Consultants shall not use these documents for purposes unrelated to this Contract without the prior written approval of the Client.”
 - “The Client shall not use these documents for purposes unrelated to this Contract without the prior written approval of the Consultants.”
 - “Neither Party shall use these documents for purposes unrelated to this Contract without the prior written approval of the other Party.”]
- [5.1]** *Note: List here any assistance or exemptions that the Client may provide under Clause 5.1. If there is no such assistance or exemptions, state “not applicable.”]*
- 6.2(a)** The amount in foreign currency or currencies is *[insert amount]*.
- 6.2(b)** The amount in local currency is *[insert amount]*.
- 6.4** The accounts are:
- for foreign currency: *[insert account]*
 - for local currency: *[insert account]*

Payments shall be made according to the following schedule:

Note: (a) the following installments are indicative only; (b) if the payment of foreign currency and of local currency does not follow the same schedule, add a separate schedule for payment in local currency; (c) “commencement date” may be replaced with “date of effectiveness;” and (d) if applicable, detail further the nature of the report evidencing performance, as may be required, e.g., submission of study or specific phase of study, survey, drawings, draft bidding documents, etc., as listed in Appendix B, Reporting Requirements. In the example provided, the bank guarantee for the repayment is released when the payments have reached 50 percent of the lump-sum price, because it is assumed that at that point, the advance has been entirely set off against the performance of services.

- Twenty (20) percent of the Contract Price shall be paid on the commencement date against the submission of a bank guarantee for the same.
- Ten (10) percent of the lump-sum amount shall be paid upon submission of the inception report.
- Twenty-five (25) percent of the lump-sum amount shall be paid upon submission of the interim report.
- Twenty-five (25) percent of the lump-sum amount shall be paid upon submission of the draft final report.
- Twenty (20) percent of the lump-sum amount shall be paid upon approval of the final report.
- The bank guarantee shall be released when the total payments reach fifty (50) percent of the lump-sum amount.

Note: This sample clause should be specifically drafted for each contract.

6.5

Payment shall be made within [number] days of receipt of the invoice and the relevant documents specified in Clause 6.4, and within [number] days in the case of the final payment.

Note: specify, e.g., “forty-five (45) days,” and, in the case of the last payment, “sixty (60) days.”

The interest rate is [rate].

7.2

Any dispute, controversy, or claim arising out of or relating to this contract, or the breach, termination, or invalidity thereof, shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules as at present in force.

Note: If the Consultant is a national of the Government's country, this provision should be modified and referred to the Government country's rules for settlement of disputes.

IV. Appendices

APPENDIX A—DESCRIPTION OF THE SERVICES

Give detailed descriptions of the Services to be provided, dates for completion of various tasks, place of performance for different tasks, specific tasks to be approved by Client, etc.

APPENDIX B—REPORTING REQUIREMENTS

List format, frequency, and contents of reports; persons to receive them; dates of submission; etc. If no reports are to be submitted, state here “Not applicable.”

APPENDIX C—KEY PERSONNEL AND SUBCONSULTANTS

- List under:*
- C-1 Titles [and names, if already available], detailed job descriptions and minimum qualifications of foreign Personnel to be assigned to work in the Government’s country, and staff-months for each.*
 - C-2 Same as C-1 for Key foreign Personnel to be assigned to work outside the Government’s country.*
 - C-3 List of approved Subconsultants (if already available); same information with respect to their Personnel as in C-1 or C-2.*
 - C-4 Same information as C-1 for Key local Personnel.*

APPENDIX D—BREAKDOWN OF CONTRACT PRICE IN FOREIGN CURRENCY

List here the elements of cost used to arrive at the breakdown of the lump-sum price—foreign currency portion:

1. *Monthly rates for Personnel (Key Personnel and other Personnel).*
2. *Reimbursable expenditures.*

This appendix will exclusively be used for determining remuneration for additional services.

APPENDIX E—BREAKDOWN OF CONTRACT PRICE IN LOCAL CURRENCY

List here the elements of cost used to arrive at the breakdown of the lump-sum price—local currency portion:

1. *Monthly rates for Personnel (Key Personnel and other Personnel).*
2. *Reimbursable expenditures.*

This appendix will exclusively be used for determining remuneration for additional services.

APPENDIX F—SERVICES AND FACILITIES PROVIDED BY THE CLIENT

ANNEX III

**SAMPLE CONTRACT FOR CONSULTING
SERVICES**

Small Assignments
Time-Based Payments
(IBRD/IDA Financed)

The World Bank
Washington, D.C.

June 1995

**SAMPLE CONTRACT FOR CONSULTING SERVICES
SMALL ASSIGNMENTS
TIME-BASED PAYMENTS
(IBRD/IDA FINANCED)**

CONTRACT

THIS CONTRACT (“Contract”) is entered into this *[insert starting date of assignment]*, by and between *[insert Client’s name]* (“the Client”) having its principal place of business at *[insert Client’s address]*, and *[insert Consultant’s name]* (“the Consultant”) having its principal office located at *[insert Consultant’s address]*.

WHEREAS, the Client wishes to have the Consultant performing the services hereinafter referred to, and

WHEREAS, the Consultant is willing to perform these services,

NOW THEREFORE THE PARTIES hereby agree as follows:

- 1. Services**
- (i) The Consultant shall perform the services specified in Annex A, “Terms of Reference and Scope of Services,” which is made an integral part of this Contract (“the Services”).
 - (ii) The Consultant shall provide the reports listed in Annex B, “Consultant’s Reporting Obligations,” within the time periods listed in such Annex, and the personnel listed in Annex C, “Cost Estimate of Services, List of Personnel and Schedule of Rates” to perform the Services.

- 2. Term**
- The Consultant shall perform the Services during the period commencing *[insert start date]* and continuing through *[insert completion date]* or any other period as may be subsequently agreed by the parties in writing.

- 3. Payment**
- A. Ceiling

For Services rendered pursuant to Annex A, the Client shall pay the Consultant an amount not to exceed a ceiling of *[insert ceiling amount]*. This amount has been established based on the understanding that it includes all of the Consultant’s costs and profits as well as any tax obligation that may be imposed on the Consultant. The payments made under the Contract consist of the Consultant’s remuneration as defined in sub-paragraph B below and of the reimbursable expenditures as defined in sub-paragraph C below.

B. Remuneration

The Client shall pay the Consultant for Services rendered at the rate(s) per man/month spent¹ (**or** per day spent **or** per hour spent, subject to a maximum of eight hours per day) in accordance with the rates agreed and specified in Annex C, “Cost Estimate of Services, List of Personnel and Schedule of Rates.”

C. Reimbursables

The Client shall pay the Consultant for reimbursable expenses, which shall consist of and be limited to:

- (i) normal and customary expenditures for official travel, accommodation, printing, and telephone charges; official travel will be reimbursed at the cost of less than first class travel and will need to be authorized by the Client’s coordinator;
- (ii) such other expenses as approved in advance by the Client’s coordinator.²

D. Payment Conditions

Payment shall be made in *[specify currency]* not later than 30 days following submission of invoices in duplicate to the Coordinator designated in paragraph 4.

4. Project Administration

A. Coordinator

The Client designates Mr./Ms. *[insert name]* as Client’s Coordinator; the Coordinator shall be responsible for the coordination of activities under the Contract, for receiving and approving invoices for payment, and for acceptance of the deliverables by the Client.

B. Timesheets

During the course of their work under this Contract, including field work, the Consultant’s employees providing services under this Contract may be required to complete timesheets or any

¹ Select the applicable rate and delete the others.

² Specific expenses can be added as an item (iii) in paragraph 3.C.

other document used to identify time spent, as well as expenses incurred, as instructed by the Project Coordinator.

C. Records and Accounts

The Consultant shall keep accurate and systematic records and accounts in respect of the Services, which will clearly identify all charges and expenses. The Client reserves the right to audit, or to nominate a reputable accounting firm to audit, the Consultant's records relating to amounts claimed under this Contract during its term and any extension, and for a period of three months thereafter.

- 5. Performance Standard** The Consultant undertakes to perform the Services with the highest standards of professional and ethical competence and integrity. The Consultant shall promptly replace any employees assigned under this Contract that the Client considers unsatisfactory.
- 6. Confidentiality** The Consultants shall not, during the term of this Contract and within two years after its expiration, disclose any proprietary or confidential information relating to the Services, this Contract or the Client's business or operations without the prior written consent of the Client.
- 7. Ownership of Material** Any studies, reports or other material, graphic, software or otherwise, prepared by the Consultant for the Client under the Contract shall belong to and remain the property of the Client. The Consultant may retain a copy of such documents and software.³
- 8. Consultant Not to be Engaged in Certain Activities** The Consultant agrees that, during the term of this Contract and after its termination, the Consultants and any entity affiliated with the Consultant, shall be disqualified from providing goods, works or services (other than the Services or any continuation thereof) for any project resulting from or closely related to the Services.
- 9. Insurance** The Consultant will be responsible for taking out any appropriate insurance coverage.
- 10. Assignment** The Consultant shall not assign this Contract or Subcontract any portion of it without the Client's prior written consent.

³ Restrictions about the future use of these documents and software, if any, shall be specified at the end of Article 7.

11. Law Governing Contract and Language The Contract shall be governed by the laws of *[insert government]*, and the language of the Contract shall be⁴ *[insert language]*.

12. Dispute Resolution⁵ Any dispute arising out of this Contract, which cannot be amicably settled between the parties, shall be referred to adjudication/arbitration in accordance with the laws of the Client's country.

FOR THE CLIENT

FOR THE CONSULTANT

Signed by _____

Signed by _____

Title: _____

Title: _____

⁴ The law selected by the Client is usually the law of its country. However, the Bank does not object if the Client and the Consultant agree on another law. The language shall be English, French, or Spanish, unless the Contract is entered into with a domestic firm, in which case it can be the local language.

⁵ In the case of a Contract entered into with a foreign Consultant, the following provision may be substituted for paragraph 12: "Any dispute, controversy or claim arising out of or relating to this Contract or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules as at present in force."

LIST OF ANNEXES

Annex A: Terms of Reference and Scope of Services

Annex B: Consultant's Reporting Obligations

Annex C: Cost Estimate of Services, List of Personnel and Schedule of Rates

ANNEX C

Cost Estimate of Services, List of Personnel and Schedule of Rates

(1) Remuneration of Staff

	Name	Rate (per month/day/ hour in currency)	Time spent (number of month/day/hour)	Total (currency)
(a)	Team Leader			
(b)				
(c)				
				Sub-Total (1)

(2) Reimbursables⁶

	Rate	Days	Total
(a)	International Travel		
(b)	Local Transportation		
(c)	Per Diem		
			Sub-total (2)

TOTAL COST _____

Physical Contingency⁷ _____

CONTRACT CEILING _____

⁶ To include expenses for international travel, local transportation, per diem, communications, reporting costs, visas, inoculations, routine medical examinations, portage fees, in-and-out expenses, airport taxes, and other such travel related expenses as may be necessary; reimbursable at cost with supporting documents/receipts; except for per diem (which is fixed and includes housing and _____ expenses).

⁷ From 0 to 15 percent of total cost; use of contingency requires prior approval of the Client.

ANNEX IV

SAMPLE CONTRACT FOR CONSULTING SERVICES

Small Assignments

Lump-Sum Payments
(IBRD/IDA Financed)

The World Bank
Washington, D.C.

June 1995

**SAMPLE CONTRACT FOR CONSULTING SERVICES
SMALL ASSIGNMENTS
LUMP-SUM PAYMENTS
(IBRD/IDA FINANCED)**

CONTRACT

THIS CONTRACT (“Contract”) is entered into this *[insert starting date of assignment]*, by and between *[insert Client’s name]* (“the Client”) having its principal place of business at *[insert Client’s address]*, and *[insert Consultant’s name]* (“the Consultant”) having its principal office located at *[insert Consultant’s address]*.

WHEREAS, the Client wishes to have the Consultant perform the services hereinafter referred to, and

WHEREAS, the Consultant is willing to perform these services,

NOW THEREFORE THE PARTIES hereby agree as follows:

- 1. Services**
- (i) The Consultant shall perform the services specified in Annex A, “Terms of Reference and Scope of Services,” which is made an integral part of this Contract (“the Services”).
 - (ii) The Consultant shall provide the personnel listed in Annex B, “Consultant’s Personnel,” to perform the Services.
 - (iii) The Consultant shall submit to the Client the reports in the form and within the time periods specified in Annex C, “Consultant’s Reporting Obligations.”

- 2. Term**
- The Consultant shall perform the Services during the period commencing *[insert starting date]* and continuing through *[insert completion date]*, or any other period as may be subsequently agreed by the parties in writing.

- 3. Payment**
- A. Ceiling

For Services rendered pursuant to Annex A, the Client shall pay the Consultant an amount not to exceed *[insert amount]*. This amount has been established based on the understanding that it includes all of the Consultant's costs and profits as well as any tax obligation that may be imposed on the Consultant.

B. Schedule of Payments

The schedule of payments is specified below:¹

[insert amount and currency] upon the Client's receipt of a copy of this Contract signed by the Consultant;

[insert amount and currency] upon the Client's receipt of the draft report, acceptable to the Client; and

[insert amount and currency] upon the Client's receipt of the final report, acceptable to the Client.

[insert amount and currency] Total

C. Payment Conditions

Payment shall be made in *[specify currency]*, no later than 30 days following submission by the Consultant of invoices in duplicate to the Coordinator designated in paragraph 4.

4. Project Administration

A. Coordinator.

The Client designates Mr./Ms. *[insert name]* as Client's Coordinator; the Coordinator will be responsible for the coordination of activities under this Contract, for acceptance and approval of the reports and of other deliverables by the Client and for receiving and approving invoices for the payment.

B. Reports.

The reports listed in Annex C, "Consultant's Reporting Obligations," shall be submitted in the course of the assignment, and will constitute the basis for the payments to be made under paragraph 3.

5. Performance Standards

The Consultant undertakes to perform the Services with the highest standards of professional and ethical competence and integrity. The Consultant shall promptly replace any employees assigned under this Contract that the Client considers unsatisfactory.

6. Confidentiality

The Consultants shall not, during the term of this Contract and within

¹ Modify, in order to reflect the output required, as described in Annex C.

two years after its expiration, disclose any proprietary or confidential information relating to the Services, this Contract or the Client's business or operations without the prior written consent of the Client.

- 7. Ownership of Material** Any studies reports or other material, graphic, software or otherwise, prepared by the Consultant for the Client under the Contract shall belong to and remain the property of the Client. The Consultant may retain a copy of such documents and software.²
- 8. Consultant Not to be Engaged in Certain Activities** The Consultant agrees that, during the term of this Contract and after its termination, the Consultant and any entity affiliated with the Consultant, shall be disqualified from providing goods, works or services (other than the Services and any continuation thereof) for any project resulting from or closely related to the Services.
- 9. Insurance** The Consultant will be responsible for taking out any appropriate insurance coverage.
- 10. Assignment** The Consultant shall not assign this Contract or sub-contract any portion of it without the Client's prior written consent.
- 11. Law Governing Contract and Language** The Contract shall be governed by the laws of *[insert government]*, and the language of the Contract shall be³ *[insert language]*.
- 12. Dispute Resolution⁴** Any dispute arising out of the Contract, which cannot be amicably settled between the parties, shall be referred to adjudication/arbitration in accordance with the laws of the Client's country.

² Restrictions about the future use of these documents and software, if any, shall be specified at the end of paragraph 7.

³ The law selected by the Client is usually the law of its country. However, the Bank does not object if the Client and the Consultant agree on another law. The language shall be English, French, or Spanish, unless the Contract is entered into with a domestic firm, in which case it can be the local language.

⁴ In the case of a Contract entered into with a foreign Consultant, the following provision may be substituted for paragraph 12: "Any dispute, controversy or claim arising out of or relating to this Contract or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules as at present in force."

FOR THE CLIENT

FOR THE CONSULTANT

Signed by _____

Signed by _____

Title: _____

Title: _____

LIST OF ANNEXES

Annex A: Terms of Reference and Scope of Services

Annex B: Consultant's Personnel

Annex C: Consultant's Reporting Obligations