

# DRAFT CONTRACT

## SERVICE CONTRACT FOR EUROPEAN UNION EXTERNAL ACTIONS

N° <Contract number>

FINANCED FROM THE [EU GENERAL BUDGET] [EDF]

[For direct management: European Union, represented by the European Commission, B-1049 Brussels, Belgium, on behalf of and for the account of the government of <name of the partner country>]

OR

[For indirect management: <Name and address of the Contracting Authority>]

(‘the Contracting Authority’),

of the one part,

and

<Full official name of the Contractor>

[<Legal status/title>]<sup>1</sup>

[<Official registration number>]<sup>2</sup>

<Full official address>

[<VAT number>]<sup>3</sup>,

(‘the Contractor’)

of the other part,

have agreed as follows:

**PROJECT** <Title and reference in the Financing Agreement/Decision>

**CONTRACT TITLE** <Contract title>

**Identification number** <Publication reference>

### (1) Subject

- 1.1 The subject of this Contract is <Contract title> done [at] [in] <Location> with identification number <reference> (‘the services’).
- 1.2 The contractor shall execute the tasks assigned to him in accordance with the Terms of Reference annexed to the Contract (Annexe II)

### (2) Contract value

[Option 1: Fee-based contracts (technical assistance contracts)]

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<sup>1</sup> Where the contracting party is an individual.

<sup>2</sup> Where applicable. For individuals, mention their ID card, passport or equivalent document number.

<sup>3</sup> Except where the contracting party is not VAT registered.

This Contract, established in [Euro] [<national currency> only for indirect management], is a fee-based contract. Based on the maximum fees, [lump sum], incidental expenditure and provision made for expenditure verification set out in Annex V, the maximum contract value is [EUR] [<ISO code of national currency> only for indirect management] <amount>.]

#### [Option 2: Global price contracts (studies and other result-based contracts)]

This Contract, established in [Euro] [<national currency> only for indirect management], is a global price contract. The contract value is [EUR] [<ISO code of national currency> only for indirect management] <amount>.]

### (3) Order of precedence of contract documents

The following documents shall be deemed to form and be read and construed as part of this Contract, in the following order of precedence:

- the contract agreement;
- the Special Conditions
- the General Conditions (Annex I);
- the Terms of Reference [including clarification before the deadline for submitting tenders and minutes of the information meeting/site visit] (Annex II)
- the Organisation and methodology [including clarification from the tenderer provided during tender evaluation] (Annex III);
- [Key experts (Annex IV) For contracts requiring key experts] ;
- Budget [For fee-based contracts only: breakdown] (Annex V);
- Other relevant forms and documents (Annex VI);

#### [For fee-based contracts only:

- Report of factual findings and terms of reference for an expenditure verification ] (Annex VII):

These above listed documents make up the contract. They shall be deemed to be mutually explanatory. In cases of ambiguity or divergence, they shall prevail in the order in which they appear above. Addenda shall have the order of precedence of the document they are amending.

### (4) Language of the contract

The language of the contract and of all written communications between the Contractor and the Contracting Authority and/or the Project Manager shall be English.

### (5) Other specific conditions applying to the Contract

[If necessary and after having obtained prior approval/derogation by the competent services:

The following conditions to the Contract shall apply:

By derogation from Article ... ]

Done in English in [two] [three] originals, [For direct management: [one] [two] originals for the European Commission] [ For indirect management: one original for the Contracting Authority, one original for the European Commission,] and one original for the Contractor.

**For the Contractor**

Name:

Title:

Signature:

Date:

**For the Contracting Authority**

Name:

Title:

Signature:

Date:

[For indirect management:

**Endorsed for financing by the European Union** (only for ex-ante control if the European Commission makes payments under the Contract)

Name:

Title:

Signature:

Date:

## SPECIAL CONDITIONS

These conditions amplify and supplement the General Conditions governing the Contract. Unless the Special Conditions provide otherwise, the General Conditions remain fully applicable. The numbering of the Articles of the Special Conditions is not consecutive but follows the numbering of the General Conditions. Exceptionally, and with the approval of the competent European Commission departments, other clauses can be indicated to cover particular situations.

### How to complete these Special Conditions:

Where you see < ... >, enter the information relevant to the Special Conditions. The phrases in square brackets [ ] and shaded in grey should only be included if relevant. They should only be amended in exceptional cases, depending on the requirements of specific tender procedures.

Note that the Special Conditions provide for allowed deviations from the General Conditions. The use of further deviations from the General Conditions requires an exception to be granted by the relevant services of the European Commission.

Please remember to delete this paragraph and all pointed and square brackets in the final version of the Special Conditions.

### Article 2 Communications

- 2.1 <Indicate here the contact persons, addresses of the Parties, their other contact details, the documents to provide and the procedure to be used by the Parties for communication.>

### Article 4 Subcontracting

- 4.9 [EDF only:

In the selection of subcontractors and/or other independent contractors, preference shall be given to natural persons, companies and firms of ACP States capable of implementing the tasks required on similar terms. ]

### Article 7 General Obligations

- 7.8 <Specify the specific activities to be put in place by the Contractor to comply with its minimum obligation towards visibility. These activities must comply with the rules lay down in the Communication and Visibility Manual for EU External Actions published by the European Commission.>

### Article 19 Implementation of the tasks and delays

- 19.1 [The start date for implementation shall be <date/date of signature of the contract by both parties>]

OR:

[The date on which implementation starts shall be within 3 months of the signature of this contract by both parties and shall be set in an administrative notice issued by the Project Manager.]

- 19.2 The period for implementing the tasks is <number> months from the start date.

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### Article 26 Interim and Final Reports

The Contractor shall submit progress reports as specified in the Terms of Reference.

## Article 27 Approval of Reports and Documents

27.5 [For contracts in decentralised/indirect management under Budget for which a financing agreement has been signed before 01/01/2013 and for 10<sup>th</sup>-11<sup>th</sup> EDF :

The Contracting Authority shall, within 45 days of receipt, notify the Contractor of its decision concerning the documents or reports received by it, giving reasons should it reject the reports or documents, or request amendments. If the Contracting Authority does not give any comments on the documents or reports within the time limit, the Contractor may request written acceptance of them. The documents or reports shall be deemed to have been approved by the Contracting Authority if it does not expressly inform the Contractor of any comments within 45 days of the receipt of the report. ]

## Article 28 Expenditure verification

28.2 **Fee-based contract**

[The expenditure verification(s) referred to in the General Conditions will be carried out by < name, address, telephone and fax numbers>.]

[If the verification of the incidental expenditure will be made by the Contracting Authority insert the following instead of 28.2 above: By derogation from article 28 the verification will be made by the Contracting Authority and all references to an expenditure verification report will not be applicable.]

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If this derogation is used, please delete 28.2 above.]

## Article 29 Payment and interest on late payment

29.1 Payments will be made in accordance with the following the option:

[Option 1: Fee-based contract

Month		[EUR] [<ISO code of national currency> <sup>4</sup> ]
1	Maximum Pre-financing payment <sup>5</sup>	<Maximum amount> <X> % <sup>6</sup>
6-monthly	Interim payments	<amount (balance of pre-financing payment and forecast balance)>
<Month number>	Forecast balance	10% of the maximum contract value

<sup>4</sup> Only for indirect management

<sup>5</sup> The Contractor is not obliged to ask for pre-financing.

<sup>6</sup> Maximum of 20% of the total contract amount.

	<b>Total</b>	<maximum contract value>
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The actual amounts payable after the pre-financing payment will vary. They will be based on the Contractor's invoice accompanied by an interim progress report and an expenditure verification report and are subject to approval of the reports in accordance with Article 27 of the General Conditions.

The interim invoices must be paid such that the sum of the payments does not exceed 90 % of the maximum contract value stated in Article 3 of the Contract. Payment of the balance of the final value of the contract, subject to the maximum contract value stated in Article (2) of the Contract, is made after deduction of the amounts already paid, within 60 days of the Contracting Authority receiving an invoice accompanied by the final progress report and a final expenditure verification report, the incidental expenditure and expenditure verification actually incurred during the period, subject to approval of those reports.]

[Option 2: Global price contract

Month		<EUR/**>
<b>1</b>	<b>Maximum Pre-financing payment<sup>7</sup></b>	<Maximum 40 % of the contract value>
<Month/ year number>	[If applicable: Interim payment ]	<X % of the contract value>
<Month/ year number>	<b>Balance</b>	<Maximum 60 % of the contract value>
	<b>Total</b>	<Total contract value>

[Contract in decentralised/indirect management under BUDGET only: By derogation, the payments to the Contractor of the amounts due under interim and final payments shall be made within 90 days after receipt by the Contracting Authority of an invoice and of the reports, subject to approval of those reports in accordance with Article 27 of the General Conditions.]

[Contract under 10th EDF only: By derogation, the pre-financing payment shall be made within 90 days from the date on which an admissible invoice is registered by the Contracting Authority. The interim and final payments to the Contractor of the amounts due shall be made within 90 days following approval of the reports as indicated in in accordance with Article 27 of the General Conditions, after receipt by the Contracting Authority of an admissible invoice. ]

<sup>7</sup> The Contractor is not obliged to ask for pre-financing.

[Contract in indirect management under 11<sup>th</sup> EDF only where the Commission executes payments: By derogation, the pre-financing payment shall be made within 60 days from the date on which an admissible invoice is registered by the Contracting Authority. The interim and final payments to the Contractor of the amounts due shall be made within 90 days from the date on which an admissible invoice is registered by the Contracting Authority.]

[If the verification of the incidental expenditure will be made by the Contracting Authority: By derogation from article 29 the verification will be made by the Contracting Authority and all references to an expenditure verification report will not be applicable.]

29.3 [For indirect management]

By derogation from Article 29.3 of the General Conditions, once the deadline set in Article 29.1 has expired, the Contractor will, upon demand, be entitled to late-payment interest at the rate and for the period mentioned in the General Conditions submitted. The demand must be submitted within two months of receiving late payment.]

29.5 Payments will be made in [Euro] [<national currency> only for indirect management] in accordance with Articles 20.6 and 29.4 of the General Conditions into the bank account notified by the Contractor to the Contracting Authority.

[Optional: In the case of indirect management with ex ante controls and where invoices are presented to the Contracting Authority, the Contractor must inform the European Commission at <enter address of the unit in charge if this option is used>, thereof by sending a copy of the correspondence.]

## Article 30 Financial Guarantee

30.1 ~~For contract of an amount below € 60.000 [By derogation from article 30 of the General Conditions, no pre-financing guarantee is required.]~~

~~For contract of an amount above € 60.000 [Subject to a positive risk assessment<sup>8</sup> by the Contracting Authority, by derogation from article 30 of the General Conditions no pre-financing guarantee is required.]~~

## Article 40 Settlement of disputes

[For direct management:

40.4 Any disputes arising out of or relating to this Contract which cannot be settled amicably shall be referred to the exclusive jurisdiction of the courts of Brussels, Belgium.]

[For indirect management:

[BUDGET:

40.4 Any disputes arising out of or relating to this Contract which cannot be settled otherwise shall be referred to the exclusive jurisdiction of <specify> applying the national legislation of the Contracting Authority.]

OR

40.4 Any disputes arising out of or relating to this Contract which cannot be settled otherwise shall be referred for arbitration to <specify the arbitration body> applying the rules of arbitration of [ the International Chamber of Commerce] [the United Nations Commission

<sup>8</sup> Such risk assessment is required, for example, when a company is awarded a contract without itself meeting the selection criteria but relying on the capacity of another company.

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[if the

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or if

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**Deleted:** By derogation from article 30 of the General Conditions no pre-financing guarantee is required]¶

on International Trade Law] [< other internationally recognised procedure to be specified >]  
.]

[EDF:

40.4 Any dispute arising out of or relating to this Contract which cannot be settled otherwise shall ~~be settled~~

(a) if it is a national contract, in accordance with the national legislation of the state of the Contracting Authority,

(b) if it is a cross-border contract, either:

(i) if the parties to the Contract so agree, in accordance with the national legislation of the partner country or its established international practices; or

(ii) by arbitration in accordance with the Procedural rules on conciliation and arbitration of contracts financed by the European Development Fund, adopted by Decision 3/90 of the ACP-EEC Council of Ministers of 29 March 1990 (Official Journal No L 382, 31.12.1990) (Annex A12 to the Practical Guide). Please attach Annex A12 of the Practical Guide to the present contract.]

[Optional for contract awarded after negotiated procedure to an international organisation that cannot participate in competitive procedures according to its statute or act of establishment:

#### **Article 40 Settlement of disputes and Article 41 Applicable law**

Articles 40.3, 40.4 and 41.1 of the General Conditions shall be replaced by the following:

In default of amicable settlement, the parties may refer the matter to arbitration in accordance with the Permanent Court of Arbitration Optional Rules for Arbitration Involving International Organisations and States in force at the date of conclusion of this Agreement. The appointing authority shall be the Secretary General of the Permanent Court of Arbitration following a written request submitted by either Party. The Arbitrator's decision shall be binding on all Parties and there shall be no appeal.

[For indirect management:

#### **Article 42 Data Protection**

Not applicable.]

#### **Article 43 Further additional clauses**

<Add other clauses approved by the competent European Commission departments.>

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