
AFRICAN UNION

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REQUEST FOR PROPOSALS

CONSULTANCY SERVICES FOR HIRE OF AUDIT FIRM TO CONDUCT HR AUDIT FOR AFRICAN UNION

Procurement No: AUC/HRM/C/002



Section I: Letter of Invitation

16 October 2023

Dear Sirs,

**REF: REQUEST FOR PROPOSALS: CONSULTANCY SERVICES FOR HIRE OF
AUDIT FIRM TO CONDUCT HR AUDIT FOR AFRICAN UNION
No: AUC/HRM/C/002.**

1. The African Union Commission would like to engage the services of an **audit firm** to conduct an extensive HR audit for its Human Resource Management Division. The African Union Commission hereby seek for credible audit firms to submit both technical and financial proposals for the assignment as per attached Terms of Reference (TORS).

2. The **audit firm** will be selected under the (*Fixed Budget Selection*) procedures described in this RFP. The firm who submitted the highest ranked technical proposal within the indicated budget will be selected for award of contract. The minimum technical score required to pass is 70 points.

3. The RFP includes the following documents:
Section 1 – This Letter of Invitation
Section 2 - Information to Consultants
Section 3 – Data Sheet
Section 4 - Terms of Reference
Section 5 - Technical Proposal - Standard Forms
Section 6 - Financial Proposal - Standard Forms
Section 7. Standard Form of Contract

4. The **TECHNICAL** and **FINANCIAL** offers must be delivered in **TWO SEPARATE** documents to the address below. The Financial Proposal **must be password protected**.

5. The deadline for submission of proposals is 3 November 2023 at 1500hrs. Late bids will be rejected. The subject of the e-mail shall be the title of the procurement and the procurement number.

6. Bidders may request for clarifications, no less than 7 days from the deadline for submission, from **The Chairperson, Internal Tender Committee, African Union Commission, Telephone number (+251) 11 5517700, Ext 4341, Email tender@africa-union.org** with a copy to DominicN@africa-union.org (E-mail addresses are for Clarifications Only)

7. Bidders must submit the following mandatory documents: (i) Certificate of incorporation (Company Registration); (ii) Trade License (SAP Certification for the firm) (iii) At Least 3 Contactable references for work done in the last 3 years and(iv) Company profile demonstrating at least 5 years' experience (v) CVs of proposed Experts (vi) Statements of Availability for the proposed experts. These documents must be part of the Technical Proposal.

8. The address for deposit of bids is: **The Chairperson, Internal Tender Committee African Union Commission, tender@africa-union.org**

Section 2: Information to Consultants

1. Introduction

- 1.1 The Client named in the Data Sheet will select a consultant from those listed in the Letter of Invitation, in accordance with the method of selection specified 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 any 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 familiarise themselves with local conditions and take them into account in preparing their proposals. To obtain first - hand 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 any specified 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 any 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 African Union policy requires consultants to 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 interests of the Client.
 - 1.5.1 Without limitation on the generality of this rule, consultants shall not be hired under the circumstances set forth below:
 - (a) *Conflict between consulting activities and procurement of goods, works or services: A firm that has been engaged to provide goods, works, or services for a project, and each of its affiliates, shall be disqualified from providing consulting services related to those goods, works or services. Conversely, a firm hired to provide consulting services for the preparation or*

implementation of a project, and each of its affiliates, shall be disqualified from subsequently providing goods, works or services resulting from or directly related to the firm's consulting services for such preparation or implementation (other than a continuation of the firms earlier consulting services for the same project).

(b) Conflict among consulting assignments: Neither consultants (including their personnel and sub-consultants) nor any of their affiliates shall be hired for any assignment that, by its nature, may be in conflict with another assignment of the consultants.

(c) Relationship with AUC staff: Consultants (including their personnel and sub-consultants) that have a business or family relationship with a member of AUC staff (or of the Client staff, or of a beneficiary of the assignment) who are directly or indirectly involved in any part of: (i) the preparation of the TOR of the contract, (ii) the selection process for such contract, or (iii) supervision of such contract may not be awarded a contract.

1.6 The African Union requires that Officers of the AU, as well as Bidders/ Suppliers/ Contractors/ Consultants, observe the highest standard of ethics during the procurement and execution of such contracts.¹ In pursuance of this policy the AU:

- (a) defines, for the purposes of this provision, the terms set forth below as follows:
 - (i) “corrupt practice”² is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
 - (ii) “fraudulent practice”³ is any act or omission including a misrepresentation that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;

¹ *In this context, any action taken by a bidder, supplier, contractor, sub-contractor or consultant to influence the procurement process or contract execution for undue advantage is improper.*

² *“another party” refers to an officer of the AU acting in relation to the procurement process or contract execution. In this context, “officer of the AU” includes staff and employees of other organisations taking or reviewing procurement decisions.*

³ *a “party” refers to any officer of the AU; the terms “benefit” and “obligation” relate to the procurement process or contract execution; and the “act or omission” is intended to influence the procurement process or contract execution.*

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- (iii) “collusive practice”⁴ is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
 - (iv) “coercive practice”⁵ is impairing or harming or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
 - (v) “obstructive practice” is deliberately destroying, falsifying, altering or concealing of evidence material to any investigation or making false statements to investigators in order to materially impede any investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation;
- (b) will reject a recommendation for award of contract if it determines that the bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for the contract in question;
 - (c) will declare a firm ineligible, either indefinitely or for a stated period of time, to be awarded an African Union financed contract if it at any time determines that the firm has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, an African Union financed contract.
- 1.7 Consultants shall not be under a declaration of ineligibility for corrupt, fraudulent, collusive, coercive or obstructive practices issued by the.

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 mail, facsimile, or electronic mail to the Client’s address indicated in the Data Sheet. The Client will respond by facsimile, courier or electronic mail to such requests and will send written copies of the response (including an

⁴ “parties” refers to any participants in the procurement process (including officers of the AU) attempting to establish bid prices at artificial, non competitive levels.

⁵ a “party” refers to any participant in the procurement process or contract execution.

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, 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 (paragraph 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 sub-consultancy, 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 consultants who are Nationals of African Union Member States.
- (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 specified for Performance of the Services.

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- (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.

3.4 The Technical Proposal shall provide the following information using the Standard Forms attached in Section 4:

- (i) A brief description of the firm's organisation and an outline of recent experience on assignments (Section 4B) 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 the 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 4C).
- (iii) A description of the methodology and work plan for performing the assignment (Section 4D).
- (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 4E).
- (v) CVs recently signed by the proposed professional staff and the authorized representative submitting the proposal (Section 4F). 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 4E and 4G).
- (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 the Standard Forms in Section 5. These list 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 mobilisation and demobilisation), 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. Where appropriate, these costs should be broken down by activity, and, if appropriate, into foreign and local expenditures.
- 3.7 The Financial Proposal shall include all the costs the consultant incurs to provide the services (including travel expenses, translation, printing and the taxes the consultant pays for its business requirements by the law of the domicile country of the consultant), but shall exclude all local taxes levied within African Union Member States on the invoice issued by the consultant (such as local sales tax, services tax or withholding tax).
- 3.8 Consultants may express the price of their services in any freely convertible currency. The consultants may not use more than three foreign currencies. The Client may require consultants to state the portion of their price representing local costs in the Currency of the Country specified for performance of the Services 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 5A).
- 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 paragraph 1.2) shall be prepared in indelible ink. It shall contain no interlineations or overwriting, except as necessary to correct errors made by the firm itself. Any such corrections must be initialled by the persons or person signing the proposal.
- 4.2 An authorised representative of the firm initials all pages of the proposal. The representative's authorisation is confirmed by a written power of attorney accompanying the proposal.

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- 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 will govern.
 - 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 Tender Opening 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 Bid Opening Committee. The Financial Proposal shall remain sealed and retained securely until all submitted proposals are opened publicly.
 - 4.7 The Firm may withdraw its Proposal after the Proposal’s submission, provided that the written notice of the withdrawal is received by the Client prior to the deadline prescribed for submission of Proposals. The Firms’ withdrawal notice shall be prepared, sealed, marked, and dispatched in accordance with the provisions of clause Deadline for Submission of Proposals. The withdrawal notice may also be sent by telex or fax but followed by a signed confirmation copy. No Proposal may be modified subsequent to the deadline for submission of proposals. No Proposal may be withdrawn in the Interval between the deadline for submission of proposals and the expiration of the period of proposal validity specified by the firm on the Proposal Submission Form.

**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 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 is completed.

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- Evaluation of Technical Proposals**
- 5.3 The evaluation committee appointed by the Client, as a whole, and each of its members individually, will evaluate the proposals on the basis of their responsiveness to the Terms of Reference, applying the evaluation criteria, sub-criteria (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 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 the firm selected on a single-source basis, is invited to negotiate a contract on the basis of the Technical Proposal and the Financial Proposal submitted in accordance with the instructions given in paragraph 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 technical quality is completed, the Client shall notify those consultants whose proposals did not meet the minimum qualifying score or were considered non-responsive 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 score, indicating the date and time set for opening the Financial Proposals. The opening date shall not be sooner than one week after the notification date. The notification may be sent by registered letter, 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 technical scores, and the proposed prices shall be read aloud and recorded as 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 cost 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 that are subject to the African Union exemption on the payment of taxes and duties, and estimated as per paragraph 3.7.
- 5.8 In case of **QCBS**, the lowest priced Financial Proposal (Fm) will be given a financial score (Sf) of 100 points. The financial scores (Sf) of the other Financial Proposals will be computed as indicated

in the Data Sheet. Proposals will be ranked according to their combined technical (*St*) and financial (*Sf*) scores using the weights (T = the weighting for the Technical Proposal; P = the weighting for the Financial Proposal as indicated in the Data Sheet. T + P = 1); The firm achieving the highest combined technical and financial score using the formula below would be invited for negotiations

$$S = St \times T\% + Sf \times P\%$$

- 5.9. In the case of Fixed-Budget Selection, the Client will select the firm that submitted the highest ranked Technical Proposal within the indicated budget price. Proposals that exceed the indicated budget will be rejected. In the case of the Least-Cost Selection, the Client will select the lowest evaluated cost proposal among those that passed the minimum technical score. The selected firm will be 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 agree 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 Financial negotiations will reflect agreed technical modifications in the cost of the services, and will include a clarification of the firm’s tax liability (if any) in the Country specified for performance of the Services, and the manner in which it will be reflected in the contract. The financial negotiations will not normally involve either the remuneration rates for staff (no breakdown of fees), or other proposed unit rates under QCBS, Fixed-Budget Selection, or the Least-Cost Selection methods. For other methods of selection, an Appendix will be provided for the firm to explain the required information on remuneration rates.
- 6.4 Having selected the firm on the basis including 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 proposed 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. On completion of 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 (paragraph 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 the 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.

Section 3: Data Sheet

ITC Clause Reference

- ITC Clause 1.1 The name of the Client is: **African Union Commission**
- The method of selection is: **Fixed Budget Selection**
- ITC Clause 1.2 The name, and Procurement Number of the assignment are: **Consultancy Services for Hire of Audit Firm to Conduct HR Audit for African Union. AUC/HRM/C/002.**
- ITC Clause 1.5 The Client will provide the following inputs:
Background documents to the Project
- ITC Clause 2.1 **Clarifications may be requested not less than Seven (7) days before the submission deadline.**
- The address for requesting clarifications:
tender@africa-union.org with a copy to DominicN@africa-union.org or (+251) 11 5517700, Ext 4341
- ITC Clause 3.1 **Proposals should be submitted in the English Language**
- ITC Clause 3.3(iv) The minimum required experience of proposed professional staff is:
Refer to the Terms of Reference
- ITC Clause 3.3(vi) Reports that are required under the assignment shall be submitted **in English.**
- ITC Clause 3.4(viii) **Additional information required in the Technical Proposal is: Refer to (TORs)**
- ITC Clause 3.10 **Proposals must remain valid for 90 days after the submission date.**

ITC Clause 4.3 **Consultants must submit the Technical and Financial proposals separately. The Financial proposal shall be password protected.**

ITC Clause 4.4 The address for submission of proposals is: tender@africa-union.org

ITC Clause 4.5 Proposals must be submitted no later than: **1500 hours on 3 November 2023**

ITC Clause 5.1 The addresses for communications to the Client are:
Supply Chain Management Division, African Union Commission, Building C, 3rd Floor, Addis Ababa, Ethiopia. e-mail: tender@africa-union.org +251 11 551 7700 Ext. 4341

ITC Clause 5.3 The number of points to be given under each of the technical evaluation criteria are:

Technical Proposal Evaluation Criteria		Alt. Point
1	Specific experience of the Consultant (as a firm) relevant to the Assignment	10
2.	Adequacy and quality of the proposed methodology (<i>Technical approach and methodology</i>) in responding to the terms of reference	40
4.	Adequacy and quality of the work plan in responding to the terms of reference	10
5. Experience & qualifications of Key staff		
	Team Leader -General qualifications (general education and training) (6 Points) -Adequacy for the Assignment (experience in the sector/similar assignments, Knowledge of the AUC working language) (14 Points)	20
	Senior HR Consultants -General qualifications (general education and training) (4.5 Points) -Adequacy for the Assignment (experience in the sector/similar assignments, Knowledge of the AUC working language) (10.5 Points)	15
	Research Analyst/Associate Consultant -General qualifications (general education and training) (1.5 Points) -Adequacy for the Assignment (experience in the sector/similar assignments, Knowledge of the AUC working language) (3.5 Points)	5

The minimum technical score required to pass is 70 points.

ITC Clause 5.7 The single currency for price conversions is: **United States Dollars**

The source of official exchange rates is: prevailing UN rate.

The date of exchange rates is **the deadline for bid submission**

ITC Clause 5.8 The Final Score shall be computed as: **The firm who submitted the highest ranked technical proposal within the indicated budget will be selected for award of contract. The minimum technical score required to pass is 70 points.**

ITC Clause 6.1 Negotiations, if required will be held at:
**The African Union Commission,
P. O. Box 3243, Addis Ababa, Ethiopia
Roosevelt Street**

ITC Clause 7.2 The assignment is expected to commence immediately after contract signing.

Section 4 - Terms of Reference

The African Union (AU) is grappling with key challenges as identified in the January 2017 "Building a More Relevant African Union" report. These challenges include fragmentation, complicated structure, lack of financial independence, limited managerial capacity, poor decision-making, and lack of coordination between the AU and the Regional Economic Communities (RECs).

To address these challenges, the AU Assembly adopted the report's key recommendations (January 2017 Assembly/AU/Dec. 635(XXVIII)) which focused on narrowing down the AU's agenda to a few priority areas of continental scope and clarifying the division of labor among the AU, RECs, regional mechanisms, Member States, and continental institutions. The Assembly also decided on an organizational realignment aimed at enhancing efficiency and effectiveness in delivering against those priorities.

In line with the Institutional Reform priorities, the Assembly of Heads of State and Government through the decision, Assembly/AU/Dec.750(XXXIII), of February 2020,

Council's decision, EX.CL/Dec.1097(XXXVII) of October 2020, that approved the Transition Plan and the adopted a new structure for the African Union Commission (AUC). To fill this structure, the Commission, guided by the Executive Financing Strategy phased over 3 years, embarked on the implementation the Skills Audit and Competencies Assessment (SACA) and the recruitment of senior management and critical positions.

As part of this restructuring, the AUC elevated the Human Resource Management (HRM) to a directorate level, aiming for a more specialized management of its workforce and addressing major bottlenecks in recruitment and performance management processes.

The aim now is to engage a firm to conduct an exhaustive HR audit to assess the current state of propose improvements, and facilitate the transformation of the AU's HRM into an efficient, effective, affairs, and forward-looking directorate. The audit will focus on evaluating the proposed changes, investigating the existing issues, and recommending actionable strategies and best practices for implementation.

1. Rationale

The AUC is currently at a critical juncture in its pursuit of internal efficiency, accountability, and self-sustainability. This pursuit is driven by the need for a more streamlined, effective and resilient institution capable of addressing the multifaceted challenges facing the continent. At the heart of these aspirations is the effective management of the organization's human resources - a critical asset that drives policy design, program delivery, and the overall performance of the AUC.

The existing HRM challenges have raised significant concerns among leadership and

staff. These issues have impacted staff morale, work efficiency, and overall organizational performance.

To address these problems and build a robust HRM system, the AUC intends to undertake a comprehensive HR audit. The rationale for the audit is threefold:

a. Efficiency: The audit will identify inefficiencies in the current HRM practices, processes, and structure, enabling us to address these gaps and create a streamlined, efficient HRM system that can effectively support the AU's goals and objectives.

b. Effectiveness: The audit will assess the effectiveness of the proposed HRM structure, with its two main divisions Organizational Development Division, HR Shared Services and HR Business partners pool. This assessment will ensure that the new structure is optimally designed to support our strategic priorities.

c. Compliance and Best Practice: The audit will ensure the AUC's HRM system aligns with the relevant regulations, policies, and international best practices. It will help us instill a culture of accountability, transparency, and professionalism in the management of our human resources.

By addressing these issues, the audit will enable the AUC to transform its HRM into a more strategic, responsive, and performance-oriented function. This, in turn, will support our broader institutional reform agenda, strengthening our ability to deliver on our mandate and contribute to the realization of Africa's development and integration agenda.

3. Objectives and expected outcomes

3.1 Overall objective:

The primary objective of this audit is to evaluate the efficiency and effectiveness of the HR function, its alignment with the organization's strategic goals, and its compliance with relevant regulations and policies.

3.2 Specific objectives:

Specific objectives for the HR Audit:

- a. HR Structure Evaluation:** To assess the suitability, efficiency, and effectiveness of the current HR organizational structure, with a particular focus on the proposed divisions: Organizational Development Division, HR Shared Services and HR Business partners pool.
- b. Policies and Procedures Review:** To thoroughly review the current HR policies and procedures to ensure they align with AU's goals and are compliant with relevant laws, regulations, and best practices.

- c. Recruitment Process Analysis:** To evaluate the recruitment process for its efficiency, effectiveness, and timeliness, with a specific emphasis on understanding the root causes of current recruitment delays and high vacancy rates.
- d. Performance Management Assessment:** To examine the current performance management processes, identify gaps or weaknesses, and suggest improvements to enhance the alignment between employee performance and AU's strategic goals.
- e. Line Manager Accountability Review:** To assess the current level of line manager accountability, identify any gaps, and propose strategies to enhance accountability.
- f. Review of Proposed Units:** To evaluate the proposed units of Strategic Planning, Senior Performance and Culture Management, Learning & Development, Benefits and Compensation, Pension Fund, Operations, and Recruitment for their strategic alignment and effectiveness.
- g. HR Business Partners Pool Assessment:** To assess the role, efficiency, and effectiveness of HR business partners pool acting as Business Partners across directorates.
- h. Gap Analysis:** To identify any gaps between current HR practices and desired state, including inefficiencies, bottlenecks, or areas of non-compliance.
- i. Recommendation Development:** To develop actionable recommendations based on the audit's findings, aimed at improving the overall efficiency, effectiveness, and alignment of the HR function with the AU's strategic objectives.
- j. Implementation Roadmap Creation:** To develop a detailed roadmap for implementing the recommendations, including timelines, milestones, and resource requirements.
- k. Follow-up Framework Development:** To create a framework for monitoring the progress and effectiveness of the implemented changes and adjustments over a specified period.

3.3 Expected outcome:

The expected outcomes of this HR audit process are as follows:

- a. Efficient HRM Structure:** The audit will result in an efficient HRM structure that aligns with the AU's strategic priorities and operational needs. The process will ensure the optimal allocation of human resources across divisions and units, facilitating seamless coordination and operational efficiency.
- b. Improved HR Policies and Processes:** The audit will review and improve current HR policies, including recruitment, performance management, and employee relations. This will reduce delays in recruitment, streamline performance evaluations, and improve accountability at all levels.
- c. Effective Talent and Performance Management:** The proposed Talent and Performance Management Division will be better equipped to attract, retain, and develop the AU's human resources. The audit will also ensure that effective performance management processes are in place, fostering a high-performing work culture.

- d. Robust HR Operations:** The HR Operations Division will be empowered to manage core HR processes efficiently, reducing administrative burdens and improving service delivery to all AU staff.
- e. HR Compliance:** The audit will ensure that all HR activities comply with relevant decisions, rules, regulations, policies, and best practices, reducing legal and reputational risks.
- f. Strategic HR Planning:** The audit will provide valuable insights for strategic HR planning, helping the AU to anticipate and respond to future human resource needs effectively.
- g. Enhanced Employee Engagement:** The audit will result in improved employee engagement and morale as staff see their concerns being addressed and improvements being made in areas such as recruitment, performance management, and employee relations.
- h. Change Management Plan:** The audit will result in a roadmap that provides a clear path to implementing the identified improvements. This plan will include timelines, required resources, and key performance indicators to measure progress.

By achieving these outcomes, the AU will be more capable of fulfilling its mission, delivering on its priorities, and better serving the African continent.

3.4 Expected outputs and deliverables:

The expected outputs of this HR audit process include:

- a. HR Audit Report:** A detailed report outlining the current state of HRM, highlighting strengths, weaknesses, and areas of improvement in alignment with the AUC's strategic goals and operational needs.
- b. HR Strategy:** A comprehensive HR strategy that aligns HRM with the AU's strategic priorities, streamlines HR processes, and enhances HR policies. This would include clear guidelines for each proposed division and unit within HRM.
- c. Implementation Roadmap:** A roadmap for implementing the HR strategy. This would include timelines, key milestones, required resources, and responsible parties.
- d. Recommendations Report:** A comprehensive document detailing the recommended changes to the existing HR system. This would cover areas such as recruitment, performance management, talent development, employee relations, benefits and compensation, and pension fund administration.
- e. Change Management Plan:** A clear plan for managing change throughout the organization, ensuring smooth transitions, minimal disruption, and maximum buy-in from all stakeholders.
- f. HR Compliance Review:** A review of the current HR practices in relation to the existing laws, regulations, and policies. This would highlight areas of non-compliance and recommend measures to ensure full compliance.
- g. Performance Indicators:** Key Performance Indicators (KPIs) to track the progress of HR reform implementation and measure its effectiveness.
- h. Training and Development Plan:** Recommendations for improving the capacity of

HR staff and line managers through training and development initiatives, aimed at improving HR practices and enhancing overall HRM efficiency.

These outputs will provide the African Union Commission with actionable steps and tools to significantly improve its human resource management practices, leading to more effective and efficient operations.

4. Scope of the work

Phase I:

Preliminary Analysis

a. Review existing documents: The firm will review all existing HR-related documents, including decisions, current policies, procedures, organizational structure, job descriptions, and any past HR audit reports.

b. Stakeholder Interviews: Conduct interviews with key stakeholders such as HR staff, management, and employees to understand their perspective on HR functions and identify perceived challenges and opportunities.

Evaluation of Current HR Functions

a. HR Structure Analysis: Conduct an in-depth analysis of the current HR structure to identify gaps and areas for improvement.

b. HR Process Evaluation: Review the current HR processes (recruitment, performance management, employee relations, etc.) and their effectiveness.

c. HR Policy Review: Scrutinize current HR policies and their alignment with the AU's strategic objectives and legal compliance.

Assessment of Proposed Divisions and Units

a. Effectiveness Evaluation: Assess the effectiveness of the two proposed divisions: Talent and Performance Management, and HR Operations Division.

b. Role Clarification: Examine the roles of the proposed units and their alignment with overall HR objectives.

c. HR Business Partners Pool Review: Evaluate the role of the HR business Partners pool as Business Partners across directorates.

Identifying Challenges and Solutions

a. Identify Challenges: Highlight the key challenges related to recruitment, performance management, line manager accountability, and current vacancies.

b. Solution Recommendations: Provide targeted recommendations to overcome identified challenges and improve the efficiency and effectiveness of the HR function.

Phase II:

Roadmap Creation

a. Roadmap Development: Develop a comprehensive roadmap for implementing the recommended changes, outlining key milestones, timelines, and responsible parties.

b. Change Management Plan: Propose a plan for managing organizational changes arising from the HR audit recommendations, aiming to minimize disruptions and maximize stakeholder buy-in.

Final Reporting

a. **Report Compilation:** Compile and present a final report summarizing the HR audit findings, recommendations, and the implementation roadmap.

Each phase would be carried out sequentially, allowing the findings from each phase to inform the next. Regular progress updates would also be provided throughout each phase.

5. Duration

The total duration required for this assignment is 4 months.

1. Phase I of the consultancy will be for 2 months
2. Phase II of the consultancy will be for 2 months

6. Competences

- **Experience and Expertise:** The Firm should have substantial experience, preferably a minimum of 10 years, conducting HR audits and developing HR strategies for large, preferably international, organizations.
- **Knowledge of HR Management Practices:** The Firm should have in-depth understanding of effective HR management practices, including talent acquisition, performance management, compensation and benefits, employee relations, HR policies and procedures, and change management.
- **Knowledge of Public Institutions and the African Context:** Understanding the unique challenges and constraints of public institutions, and specifically those that pertain to the African context, is a key competency. The Firm should have experience working with similar organizations and demonstrate an understanding of the local, regional, and continental HRM dynamics.
- **Analytical Capabilities:** The Firm should demonstrate strong capacity to conduct rigorous analysis of HR structures, systems, policies, and practices, and should be able to interpret these in the context of the organization's strategic objectives.
- **Strategic Thinking:** The Firm should be able to translate audit findings into strategic recommendations for HR transformation and provide a clear roadmap for implementing these recommendations.
- **Excellent Communication Skills:** The Firm should possess strong written and verbal communication skills. They should be

capable of articulating their findings and recommendations in a clear, concise, and persuasive manner. This includes the ability to create compelling reports and presentations, and to communicate effectively with a wide range of stakeholders.

- **Confidentiality and Professionalism:** Given the sensitive nature of HR data, the Firm must be able to handle confidential information with utmost discretion and adhere to the highest standards of professional conduct.
- **Project Management Skills:** The Firm should have a proven track record in managing and delivering large-scale projects on time and within budget. This includes the ability to plan, coordinate, and monitor the progress of the audit, and to adjust plans as necessary to ensure successful completion.
- **Flexibility and Adaptability:** Given the complex nature of such assignments, the Firm should demonstrate flexibility and adaptability in responding to unexpected challenges or changes in the project scope.
- **Stakeholder Engagement:** The Firm should have experience in, and a strong approach to, engaging a wide variety of stakeholders, from HR staff to management and employees. This includes the ability to facilitate workshops and focus groups, and to manage potential resistance to change.

7. Qualifications

Given the extensive scope of this project, a team of 4 consultants is required to conduct the assignment within a span of 4 months. The team should ideally be composed of the following members, each possessing the specific qualifications and experience outlined below:

i. Team Leader/Principal Consultant:

- Minimum of 15 years- experience in HR management consulting, including conducting HR audits for large organizations.
- Proven track record in leading large-scale HR transformation projects.
- Extensive experience in project management and stakeholder engagement.
- A Master's degree or higher in Human Resources, Business Administration, or related field.

ii. Senior HR Consultants (2):

- Minimum of 10 years' experience in HR consulting, with specific expertise in areas such as talent management, performance management, and HR operations.
- Experience in conducting HR audits and developing HR strategies for large organizations.
- Experience working with public institutions and understanding of the African context.
- A Master's degree or higher in Human Resources, Business Administration, or related field.

iii. Research Analyst/Associate Consultant (1):

- Minimum of 2 years' experience in HR or management consulting, with a focus on research and data analysis.
- Strong analytical and problem-solving skills.
- A Bachelor's degree in Human Resources, Business Administration, or related field.

In addition to the qualifications and experience outlined above, all team members should possess excellent communication skills, high ethical standards, and a strong commitment to confidentiality. They should also be culturally sensitive and respectful of diversity, given the continental scope of the African Union and the cultural nuances within its member states.

Language: Fluency in English and French (both oral and written) is required; knowledge of the other language (Spanish, Portuguese, Kiswahili or Arabic) is an advantage.

8. Consultancy Fee

The firm to be selected under the Fixed Budget selection method where the firm that has submitted the highest ranked technical proposal within the set pass mark and within the fixed budget stated, will be selected for award of contract. The available budget for this assignment does not exceed forty-five thousand **United States Dollars (USD 45,000)**

9. Schedule of Payments

The schedule of payments of the consultants is specified below:

- 10% of the amount of the contract to be paid upon submission and acceptance by the Client of an inception report.
- 40% of the amount paid upon submission and acceptance of a HR Audit Report.
- 50% of the amount of the contract to be paid upon submission and acceptance of the final expected outputs and deliverables, (b power-point presentations and reports of technical meetings).

10. Evaluation and Qualification Criteria

Technical Proposal Evaluation Criteria		Alt. Point
1	Specific experience of the Consultant (as a firm) relevant to the Assignment	10
2.	Adequacy and quality of the proposed methodology (<i>Technical approach and methodology</i>) in responding to the terms of reference	40
4.	Adequacy and quality of the work plan in responding to the terms of reference	10
5.	Experience & qualifications of Key staff	
	Team Leader -General qualifications (general education and training) (6 Points) -Adequacy for the Assignment (experience in the sector/similar assignments, Knowledge of the AUC working language) (14 Points)	20
	Senior HR Consultants -General qualifications (general education and training) (4.5 Points) -Adequacy for the Assignment (experience in the sector/similar assignments, Knowledge of the AUC working language) (10.5 Points)	15
	Research Analyst/Associate Consultant -General qualifications (general education and training) (1.5 Points) -Adequacy for the Assignment (experience in the sector/similar assignments, Knowledge of the AUC working language) (3.5 Points)	5

11. Duty Station

Home based with visits to the African Union Headquarters in Addis Ababa- Ethiopia. Most of the consultations will be conducted virtually.

12. List of Key documents

The key documents that will be essential throughout the HR audit process include:

- 1. HR Policies and Procedures Manuals:** These documents contain the HR policies, regulations, and procedures currently in place in the AU. They will provide the consulting firm with an understanding of the existing HR structure, culture, and operational dynamics.
- 2. Organizational Chart:** A document that presents the hierarchical structure of the organization, including the HR department.
- 3. Job Descriptions:** These outline the roles and responsibilities of each position within the HR department and the wider organization.
- 4. Performance Management Documentation:** This will include performance

evaluation forms, performance metrics, and any existing performance improvement plans.

5. Recruitment and Retention Data: This includes data on current vacancies, staff turnover rates, recruitment sources, and time-to-hire metrics.

6. Employee Surveys or Exit Interview Data: These will provide insights into employee satisfaction, reasons for leaving the organization, and areas for improvement.

7. Training and Development Programs: Documents outlining the existing staff training and development initiatives, including their objectives, methodologies, and outcomes.

8. Previous HR Audit Reports: These reports would be valuable for identifying recurring issues and understanding the progression of the HR function.

9. Decisions and administrative document related to HR: These are the decisions made by the member states of the AU. They provide context and direction for the operations of the AU and will give insights into the strategic and operational challenges that the organization faces. They will also highlight the role that HR is expected to play in achieving the objectives of the AU.

These documents should be treated as confidential and handled in accordance with the AU's data protection and privacy policies.

Section 5: Technical Proposal Submission Form

{*Location, Date*}

To: {*Name and address of Client*}

Sir / Madam:

We, the undersigned, offer to provide the consulting services for {*Title of consulting services and Procurement Number*} in accordance with your Request for Proposals dated {*Date*} and our Proposal. We are hereby submitting our technical Proposal,

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,

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

B. 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:		No. of Staff:
Address:		No. 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:		No. 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: _____

C. 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.

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

- 1.
- 2.

**4D. DESCRIPTION OF THE METHODOLOGY AND WORK PLAN FOR
PERFORMING THE ASSIGNMENT**

4E. TEAM COMPOSITION AND TASK ASSIGNMENTS

1. Technical/Managerial Staff		
Name	Position	Task

2. Support Staff		
Name	Position	Task

F. FORMAT OF CURRICULUM VITAE (CV)

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. }

Languages:

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

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. }

Certification:

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

_____ Date: _____
{Signature of staff member and authorized representative of the firm} Day/Month/Year

Full name of staff member: _____

Full name of authorised representative: _____

Section 6: Financial Proposal - Standard Forms

- 5A. Financial Proposal submission form.
- 5B. Summary of costs.
- 5C. Breakdown of price per activity.
- 5D. Reimbursable per activity.
- 5E. Miscellaneous expenses.

5A. FINANCIAL PROPOSAL SUBMISSION FORM

{Date}

To: {Name and address of Client}

Sir / Madam:

We, the undersigned, offer to provide the consulting services for {Title of consulting services and Procurement Number} in accordance with your Request for Proposals 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 shall be identified during negotiations and shall be added to the above amount.

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.

Yours sincerely,

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

5B. SUMMARY OF COSTS

Cost Elements	Currency(ies) ⁶	Amount(s)
Total Amount of Financial Proposal		<hr/>

⁶ Maximum of three currencies in addition to the Currency of the Country specified for performance of the Services.

5C. BREAKDOWN OF PRICE PER ACTIVITY

Activity No.: _____

Description: _____

Price Component	Currency(ies)	Amount(s)
Remuneration		
Reimbursables		
Miscellaneous Expenses		
Subtotal		<hr/>

5D. REIMBURSABLE PER ACTIVITY

Activity No: _____

Name of Activity: _____

Item No.	Description	Unit	Quantity	Currency	Unit Price	Total Amount
1.	International flights	Trip				
2.	Miscellaneous travel expenses	Trip				
3.	Subsistence allowance	Day				
4.	Local transportation costs ⁷					
5.	Office rent/accommodation/ clerical assistance					
	Grand Total					_____

⁷ 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.

5E. MISCELLANEOUS EXPENSES

Activity No. _____

Activity Name: _____

Item No.	Description	Unit	Quantity	Currency	Unit Price	Total Amount
1.	Communication costs between _____ and _____					
2.						
3.	Drafting, reproduction of reports					
4.	Equipment: vehicles, computers, photocopiers, etc.					
5.	Software					
	Other (specify)					
	Grand Total					<hr/> <hr/>

Section 7. Standard Form of Contract

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1. Form of Contract

COMPLEX LUMP-SUM PAYMENT

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”).]

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 funding towards the cost of the Services and intends to apply a portion of this funding to eligible payments under this Contract;

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 Special Conditions of Contract;
 - (b) The General 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
- Appendix B: Reporting Requirements
- Appendix C: Key Personnel and Sub-Consultants
- Appendix D: Breakdown of Contract Price in Foreign Currency
- Appendix E: Breakdown of Contract Price in Local Currency
- Appendix F: Services and Facilities Provided by the Client
- Appendix G: Form of Bank Guarantee for Advance Payments

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]*

[Authorised Representative]

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

[Authorised 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]

[Authorised Representative]

[name of member]

[Authorised Representative]

2. 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 International Law;
- (b) “Contract” means the Contract signed by the Parties, to which these General Conditions of Contract (GCC) are attached, together with all the documents listed in Clause 1 of such signed Contract;
- (c) “Contract Price” means the price to be paid for the performance of the Services, in accordance with GCC Clause 6;
- (d) “Country specified for performance of the Services” means the Country specified in the SCC;
- (e) “Effective Date” means the date on which this Contract comes into force and effect pursuant to GCC Clause 2.1;
- (f) “Foreign Currency” means any currency other than Currency of the Country specified for performance of the Services;
- (g) “GCC” means these General Conditions of Contract;
- (h) “Local Currency” means the Currency of the Country specified for performance of the Services;
- (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 SCC 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 Sub-Consultant 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 Country specified for the performance of the Services. “Local Personnel” means such persons who at the time of being so hired had their domicile within the Country specified

for performance of the Services. “Key Personnel” means the Personnel referred to in GCC Clause 4.2(a).

- (l) “SCC” means the Special Conditions of Contract by which the GCC 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) “Sub-Consultant” means any person or entity to whom/which the Consultants subcontract any part of the Services in accordance with the provisions of GCC Clauses 3.5 and 4.
- (o) “Third Party” means any person or entity other than the Client, the Consultants or a Sub-Consultant.

**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 SCC, 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 authorised representative of the Party to whom the communication is addressed, or when to such Party at the address specified in the SCC.

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 as the Client may approve.

**1.6 Authorised
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 SCC.

**1.7 Taxes &
Duties**

**1.7.1 African
Union
Exemption
from Taxes &
Duties**

The African Union and its organs are exempted from all direct taxes, and are exempted from customs duties in respect of articles imported or exported for its official use in conformity with the General Convention on Privileges and Immunities. Accordingly, the Consultant authorises the Commission of the African Union (AUC) to deduct from payments any amount representing such taxes or duties charged to the African Union by the Consultant. In the event that any taxing authority

refuses to accept the African Union's exemption from such taxes or duties, the Consultant shall immediately consult with the AUC.

1.7.2 Consultant Obligations on Taxes & Duties

A Consultant shall be responsible for obtaining exemption for the African Union of all such taxes, duties, license fees, and other impositions incurred within African Union Member States, unless otherwise agreed in writing by the AUC.

Consultants, Sub-Consultants, and their Personnel shall pay such other taxes, duties, fees, and other impositions as may be levied by the law of their domicile country.

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 Letter of Acceptance instructing the Consultants to begin carrying out the Services. This notice shall confirm that the effectiveness conditions, if any, listed in the SCC have been met.

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 SCC.

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 SCC.

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.

2.5 Force Majeure

2.5.1 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 under the Contract impossible or so impractical as to be considered impossible under the circumstances. Force Majeure 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 Sub-Consultants 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 under this Contract.

(c) Force Majeure shall not include insufficiency of funds or failure to make any payment required under the Contract.

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 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.

2.5.4 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 GCC 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;
- (d) if the Consultant, in the judgment of the Client has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for or in executing the Contract.

For the purpose of this clause:

“corrupt practice”⁸ is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;

“fraudulent practice”⁹ is any act or omission including a misrepresentation that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;

“collusive practice”¹⁰ is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;

“coercive practice”¹¹ is impairing or harming or threatening to impair or harm, directly or indirectly, any

⁸ “another party” refers to an officer of the AU acting in relation to the procurement process or contract execution. In this context, “officer of the AU” includes staff and employees of other organisations taking or reviewing procurement decisions.

⁹ a “party” refers to any officer of the AU; the terms “benefit” and “obligation” relate to the procurement process or contract execution; and the “act or omission” is intended to influence the procurement process or contract execution.

¹⁰ “parties” refers to any participants in the procurement process (including officers of the AU) attempting to establish bid prices at artificial, non competitive levels.

¹¹ a “party” refers to any participant in the procurement process or contract execution.

party or the property of the party to influence improperly the actions of a party;

“obstructive practice” is deliberately destroying, falsifying, altering or concealing of evidence material to any investigation or making false statements to investigators in order to materially impede any investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation;

- (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 GCC 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 GCC 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 GCC Clauses 2.6.1 or 2.6.2, the Client shall make the following payments to the Consultants:

- (a) remuneration pursuant to GCC 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 GCC 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.

2.7 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 within the Contract or written modifications thereto pursuant to GCC Clause 2.4.

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 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 Sub-Consultants 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 GCC 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 Sub-Consultants, and agents of either of them similarly shall not receive any such additional remuneration.

3.2.2 Compliance with Procurement Rules

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 the African Union procurement regulations and 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 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 Sub-Consultant 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.

**3.2.4 Prohibition
of Conflicting
Activities**

Neither the Consultants nor their Sub-Consultants 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 Country specified for performance of the Services 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 SCC.

**3.3
Confidentiality**

The Consultants, their Sub-Consultants, 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 Sub-Consultants to take out and maintain, at their own cost but on terms and conditions approved by the Client, insurance against the risks, and for the coverage, specified in the SCC; 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 sub-contract 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 Sub-Consultants"), and
- (c) any other action that may be specified in the SCC.

**3.6 Reporting
Obligations**

The Consultants shall submit to the Client the reports and documents and software 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, 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 SCC.

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 Sub-Consultants 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) 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 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**
- Unless otherwise specified in the SCC, the Client shall use its best efforts to ensure that the African Union Commission shall:
- (a) provide the Consultants, Sub-Consultants and Personnel with work permits and such other documents as shall be necessary to enable the Consultants, Sub-Consultants 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 Country specified for performance of the Services;

- (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 African Union Commission 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 Sub-Consultants 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 Laws of the Country specified for performance of the Services;
- (f) grant to the Consultants, any Sub-Consultants and their Personnel the privilege, pursuant to the Applicable Law, of bringing into the Country specified for performance of the Services 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

5.2
Modification of Contract Sum

If, after the date of this Contract, there is any change with respect to a failure by the Client to gain exemption from taxes and duties which increases 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 accordingly by agreement between the Parties, and corresponding adjustments shall be made to the ceiling amounts referred to in GCC Clauses 6.1 and 6.2.

5.3 Services and Facilities The Client shall make available to the Consultants, free of any charge, 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, Sub-Consultants' 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 GCC Clause 5.2, the Contract Price may only be increased above the amounts stated in GCC Clause 6.2 if the Parties have agreed to additional payments in accordance with GCC Clause 2.4.

6.2 Contract Price (a) The price payable in foreign currency is set forth in the SCC.
(b) The price payable in local currency is set forth in the SCC.

6.3 Payment for Additional Services For the purpose of determining the remuneration due for additional services as may be agreed under Clause 2.4, a breakdown of the lump-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 SCC. Unless otherwise stated in the SCC, the first payment shall be an advance payment 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 SCC. Any other payment shall be made after the conditions listed in the SCC 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 ninety (90) days after receipt by the Client, interest shall be paid to the Consultants for each day of delay at the rate stated in the SCC.

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 SCC.

3. Special Conditions of Contract

Number of GCC Clause	Amendments of, and Supplements to, Clauses in the General Conditions of Contract
GCC Clause 1.1 (d)	The Country specified for performance of the Services is:
GCC Clause 1.3	The language of the contract is English
GCC Clause 1.4	The addresses for notices are: Client: _____ Attention: _____ e-mail: _____ Facsimile: _____ Consultants: _____ Attention: _____ e-mail: _____ Facsimile: _____
GCC Clause 1.6	The Authorised Representatives are: For the Client: _____ For the Consultants: _____
GCC Clause 1.7	The Client warrants that the Consultants, the Sub-Consultants and the Personnel shall be exempt from any local taxes, duties, fees, levies and other impositions imposed within the Country specified for performance of the Services on the Consultants, the Sub-Consultants and the Personnel in respect of: (a) any payments whatsoever made to the Consultants, Sub-Consultants and the Personnel (other than nationals or permanent residents of the Country specified for performance of the Services), in connection with the carrying out of the Services; (b) any equipment, materials and supplies brought into the Country specified for performance of the Services by the Consultants or Sub-Consultants for the purpose of carrying out the Services and

which, after having been brought into the country, 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 Country specified for performance of the Services by the Consultants, any Sub-Consultants or the Personnel (other than nationals or permanent residents of the Country specified for performance of the Services), 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 Country specified for performance of the Services, provided that:
 - (1) the Consultants, Sub-Consultants and Personnel, and their eligible dependents, shall follow the usual customs procedures in importing property into the Country specified for performance of the Services; and
 - (2) if the Consultants, Sub-Consultants or Personnel, or their eligible dependents, do not withdraw but dispose of any property in the Country specified for performance of the Services upon which customs duties and taxes have been exempted, the Consultants, Sub-Consultants or Personnel, as the case may be, shall bear such customs duties and taxes in conformity with the regulations of the Country specified for the performance of the Services.

[The issue of local taxes and duties must be discussed and agreed during negotiation in respect of whether the Consultants should have to pay levies of this kind, or should be exempted from any such levies.]

GCC Clause 2.1 The effectiveness of the Contract is subject to the following conditions:
[List any conditions of effectiveness of the Contract. If there are no effectiveness conditions, delete this Clause SCC 2.1 from the SCC.]

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

GCC Clause 3.4 The risks and insurance coverage shall be:

- (a) Third Party motor vehicle liability insurance in respect of motor vehicles operated in the Country specified for performance of the Services by the Consultants or their Personnel or any Sub-Consultants 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 Sub-Consultant, 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.

GCC Clause 6.2(a) The amount in foreign currency or currencies is *[insert amount]*.

GCC Clause 6.2(b) The amount in Local Currency is *[insert amount]*.

GCC Clause 6.4 The bank accounts are:

for foreign currency: *[insert account]*

for local currency: *[insert account]*

Payments shall be made according to the following schedule:

[Insert the payment schedule and conditions specifically drafted for this contract.]

Payments 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.

GCC Clause 6.5 The annual interest rate is *[percentage]*.

GCC Clause 7.2 Settlement of Disputes:

[Note: (a) should always be retained for a Contract with a foreign Supplier (b) is an alternative that may be substituted for a Contract with a Consultant who is a National of the Country specified for the performance of the Services:]

[Example Clauses:]

(a) Contract with a foreign Supplier:

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

(b) Contracts with Consultant firm that is national of the Country specified for performance of the Services:

In the case of a dispute between the Client and a Consultant who is a national of the Country specified for performance of the Services, any dispute shall be settled in accordance with arbitration procedures as agreed between the parties during contract negotiations.

[The arbitration procedures that will apply should be agreed during contract negotiations, and only applicable clauses should be retained in the SCC.]

In any arbitration proceeding hereunder:

- (a) unless otherwise agreed by the Parties, proceedings shall be held in *[location]*;
- (b) the English language shall be the official language for all purposes, with interpretation to other AU working languages when necessary; 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.

4. 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 the 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 SUB-CONSULTANTS

- [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 Country specified for performance of the Services, and staff-months for each.*
 - C-2 Same as C-1 for Key foreign Personnel to be assigned to work outside the Country specified for performance of the Services.*
 - C-3 Same information as C-1 for Key local Personnel.]*
 - C-4 List of approved Sub-Consultants (if already available); same information with respect to their Personnel as in C-1 or C-2.*

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 any 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

[List Services, facilities, property and counterpart personnel to be made available to the Consultants by the Client.]

APPENDIX G—FORM OF BANK GUARANTEE FOR ADVANCE PAYMENTS

[Note: See Clause GCC 6.4. 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}

Sir / Madam:

In accordance with the provisions of Clause GCC 6.4) of the above-mentioned Contract (hereinafter called “the Contract”), *{name and address of Consultant}*(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 *[state conditionality for discharge of the bank guarantee as indicated in GCC Clause 6.4 and the SCC]*.

Yours truly,

Name, 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 SCC Clause GCC 6.4.