**LONG TERM AGREEMENT NO. [insert number]**

 between

 **THE UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION**

 **(UNIDO)**

 and

 **[insert Contractor]**

This Long Term Agreement comprises ten (10) pages and four (4) Annexes (A through D).

PPS/OSS/PRO

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## LONG TERM AGREEMENT No: [insert number]

 **LONG TERM AGREEMENT**

 **Between**

**THE UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION**

 **And**

 **[Contractor]**

 **For the Provision of**

**[Goods and/or Services]**

THIS LONG TERM AGREEMENT is made between the UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (hereinafter referred to as "UNIDO") having its headquarters located at Wagramer Strasse 5, A-1220 Vienna, Austria, and [Contractor] (hereinafter referred to as "the Contractor"), having his principal office located at [address]. The Contractor and UNIDO are jointly referred to as the “Parties” and individually as the “Party”.

WHEREAS, UNIDO desires to engage a contractor to provide [goods/services] on “as and when required” and non-exclusive basis; and

WHEREAS, the Contractor represents that he is ready and willing to supply and deliver the [goods/services].

NOW, THEREFORE, the Parties hereto mutually agree as follows:

**1.00 AIM OF THE LONG TERM AGREEMENT**

**1.01 Synopsis**

This LONG TERM AGREEMENT provides UNIDO with the right, but not the obligation, to issue a Call-Off Order on an “as and when required” and non-exclusive basis for the supply and delivery of [goods/services] (hereinafter referred to as “Equipment”) to UNIDO Project Sites as specified by UNIDO in accordance with the terms and conditions of this Long Term Agreement.

**2.00 RESPONSIBILITIES OF THE CONTRACTOR**

**2.01 Statement of Work and Supply**

All Equipment and services in connection with this Long Term Agreement shall be provided by the Contractor subject to:

1. UNIDO’s General Conditions of Contract (Annex A);
2. UNIDO’s Privileges and Immunities (Annex B);
3. The Terms of Reference dated [date] (Annex C);
4. The List of Unit Prices dated [date] (Annex D);
5. Any applicable UNIDO Call-Off Order; and
6. The Contractor’s Bid dated [date] (hereinafter referred to as “Bid”), which the Contractor submitted in reply to UNIDO’s Invitation to Bid No. [number] of [date]. The Contractor’s Bid, although not attached hereto, shall be made part hereof by way of reference.

The Contractor understands and agrees that the quantities of Equipment referred to in the Terms of Reference (Annex C) constitute only UNIDO estimates, and UNIDO does not represent or warrant that the volume of its orders will reach the quantities indicated therein.

If there are discrepancies or conflicts between or among the Long Term Agreement and its Annexes and the Contractor’s Bid, then the document to prevail shall be given precedence in the following order:

(1) this Long Term Agreement;

(2) its Annexes A, B, C, D;

(3) any applicable UNIDO Call-Off Order; and

(4) Contractor's Bid.

**2.02 Call-Off Ordering of the Equipment**

a) The Contractor shall supply and deliver the Equipment to UNIDO Project Sites as specified by UNIDO in each Call-Off Order. The delivery terms shall be DAP UNIDO Project Site (INCOTERMS 2010).

b) The Contractor shall undertake all efforts to minimize the transportation costs from the [insert EXW specified delivery place] to each relevant UNIDO Project Site. The Contractor shall ensure that each Equipment is properly insured by UNIDO’s global cargo insurer from the time of despatch from [insert EXW specified delivery place] to the time of final delivery at each relevant DAP named UNIDO Project Site and acceptance by UNIDO of the Equipment, whichever occurs later. The costs of the transportation shall be borne by UNIDO.

c) The Contractor shall deliver the Equipment within a time period in accordance with the delivery schedule attached to the relevant Call-Off Order.

d) The transport documentation shall refer to the relevant Call-Off Order and this Long Term Agreement and shall include:

* Original commercial or proforma invoice as may be required for customs clearance at the relevant UNIDO Project Site;
* Original bill of lading/way bill;
* Packing list;
* Certificate of origin.

e) The transport documentation shall reach the relevant consignee at least [usually three] weeks before dispatch of the Equipment. Failure to comply with the above may result in delay of customs clearance and the resulting storage charges will be chargeable to the Contractor.

f) In the event of loss or damage to any of the Equipment during delivery, or in the event of the Equipment being found, upon opening of the packages at the relevant UNIDO Project Site, to be otherwise defective, unusable or the wrong articles, the Contractor shall promptly replace such Equipment at his own expense.

g) For each Call-Off Order, a separate Purchase Order shall be issued in order to cover the costs of the delivery. When determining the freight costs for delivery of the Equipment to the relevant UNIDO Project Site, UNIDO may request the Contractor in writing to submit a non-binding quotation for its consideration. UNIDO may at its sole discretion engage another freight forwarder for the delivery of the Equipment from [insert EXW specified delivery place] to the relevant DAP named UNIDO Project Site (INCOTERMS 2010).

* 1. **Duration of the Long Term Agreement**

Unless terminated earlier in accordance with the provisions herein, the Long Term Agreement shall automatically expire three (3) years from the effective date specified in Article 4.01 (‘Entry into Effect of the Long Term Agreement’). The Long Term Agreement may be extended by UNIDO in its sole and unfettered discretion on an annual basis up to an aggregate extension period not exceeding five (5) consecutive years. To exercise the annual option to extend, UNIDO shall notify the Contractor in writing at least thirty (30) days prior to the expiration of the respective contractual period.

* 1. **Facilities and Services to be provided by the Contractor**

The Contractor shall provide all the facilities and services required by the Contractor’s personnel for the execution of this Long Term Agreement. Expenses of every kind incurred in connection with such execution shall be solely for the account of the Contractor. Such expenses shall include, but shall not be limited to, the cost of wages, housing, food, travel, medical attention and personnel insurance.

**2.05 Standards of Work and Quality**

The Contractor shall exercise all reasonable skill, care and diligence in the supply and delivery of the Equipment hereunder and shall carry out all his responsibilities in accordance with the highest recognized professional standards.

The Contractor warrants that the Equipment delivered by him under this Long Term Agreement shall be of high quality and correspond to the highest standards of material and workmanship. The Contractor shall promptly replace at his own expense any of the Equipment, which has been found by UNIDO to be defective and/or not meeting the required standards.

**3.00 PRICES FOR EQUIPMENT, RELATED SERVICES AND TERMS OF**

 **PAYMENT**

**3.01 Prices for Equipment and Related Services**

The unit prices for the Equipment shall be as in the List of Unit Prices (Annex D) and are fixed and firm for three (3) years from the effective date of the Long Term Agreement. The related services, including but not limited to packing, invoicing and electronic reporting, are included in the unit prices and shall be provided by the Contractor without additional charge. During the period of this Long Term Agreement, the unit prices are fixed and not subject to escalation.

However, upon expiration of the initial three (3) year period, the List of Unit Prices (Annex D) may be adjusted once a year to cover any increase/decrease in labour costs, product costs or other direct costs. Any price adjustment shall be subject to mutual agreement and shall not exceed the annual price adjustment published by [insert relevant statistical office of the Contractor’s country of establishment].

The Not to Exceed (NTE) Amount for the duration (including any extension) of this Long Term Agreement shall be [currency] [insert amount]. The NTE Amount shall not be subject to escalation, unless agreed upon by the Parties in an amendment to the Long Term Agreement.

The Contractor shall provide written notice to UNIDO at such time as 75% of the stated NTE Amount has been expended.

**3.02 Currency of Payment**

All payments under this Long Term Agreement shall be made in [currency].

**3.03 Payment**

Payments in respect of relevant Call-Off Orders issued under the Long Term Agreement shall be effected by UNIDO within thirty (30) days of receipt of the relevant invoice and acceptance of delivery of the Equipment, whichever occurs later.

The making of any payment hereunder by UNIDO shall not be construed as an unconditional acceptance by UNIDO of the Equipment or related services or technical documentation delivered by the Contractor up to the time of such payment.

* 1. **Mode of Payment**

All payments under this Long Term Agreement shall (subject to receipt of the Contractor's original invoices) be made by UNIDO by electronic bank transfer to the account(s) of the Contractor. No third-party payments shall be accepted.

* 1. **Withholding of Payments**

UNIDO may withhold any payment to the Contractor or, on account of subsequently discovered evidence, nullify the whole or part of any payment approval theretofore given, to such an extent as may be necessary to protect UNIDO from loss under this Long Term Agreement on account of:

**a)** the Contractor's failure to carry out the services or to make adequate progress on the services, except for failure arising out of *Force Majeure*;

**b)** the Contractor's failure to remedy defective work and/or unsatisfactory performance, when such failure has been drawn to his attention by UNIDO;

**c)** the Contractor's failure to submit the Equipment required under the Long Term Agreement;

**d)** the Contractor's failure to pay properly to subcontractor(s) and for material, labour and equipment;

**e)** the existence of damage claims presented by UNIDO or of reasonable evidence indicating the probable basis on which damage claims may be presented by UNIDO; or

**f)** breach by the Contractor of the Long Term Agreement.

The withholding by UNIDO of any interim payment shall not affect the Contractor's obligation to continue performance under this Long Term Agreement. No interest shall accrue on payments eventually withheld by UNIDO in application of the stipulations of this paragraph.

**3.06 Contractor’s Invoices**

The Contractor shall submit invoices in one (1) certified copy reflecting banking instructions, i.e. name and address of the bank, Contractor’s Account No. Sort Code No., for payment by electronic transfer, as follows:

[insert details]

**4.00 GENERAL PROVISIONS**

**4.01 Entry into Effect of the Long Term Agreement**

This Long Term Agreement shall become effective upon the signing hereof by the Parties hereto.

**4.02 General Conditions**

The Parties hereto agree to be bound by the UNIDO’s General Terms and Conditions which are attached hereto as Annex A.

**4.03 Long Term Agreement Amendment**

No modification of, or change in, this Long Term Agreement or waiver of any of its provisions, or additional contractual relationship with the Contractor shall be valid unless approved in the form of a written amendment to this Long Term Agreement, signed by the duly authorized representatives of UNIDO and the Contractor.

* 1. **Transmission of Notices, Invoices, Reports and other Documents**

All reports and other documents related to the Equipment and contractual matters shall be submitted to:

Procurement Services Division

Attention: [Procurement Official]

Vienna International Centre, Wagramer Strasse 5

P.O. Box 300, A-1400 Vienna, Austria

E-mail: [email address]

* 1. **Default by the Contractor**

In case the Contractor fails to fulfil his obligations and responsibilities under this Long Term Agreement, and provided the Contractor has not remedied such failure(s) within fourteen (14) days of having been given UNIDO’s express written notification of the nature of the failure(s), UNIDO may, at its sole option and without prejudice to its right to withhold payment(s) as hereinbefore provided, hold the Contractor in default under this Long Term Agreement. When the Contractor is thus in default, UNIDO may, by giving written notice to the Contractor, terminate the Long Term Agreement as a whole or such part or parts thereof in respect of which the Contractor is in default. Upon such notice, UNIDO shall have the right to seek completion, at the Contractor's expense, of that part or those parts of the Long Term Agreement with respect to which the Contractor is in default. The Contractor shall, in this case, be solely responsible for any reasonable costs of completion, including such costs which are incurred by UNIDO over and above the originally agreed Long Term Agreement price stipulated hereinbefore.

* 1. **Liquidated Damages**

In the event the Contractor fails to deliver the relevant Equipment within the period of time specified in the relevant Call-Off Order, UNIDO may, without prejudice to its rights or other remedies under the Long Term Agreement, deduct zero point one per cent (0.1%) from the amount of the relevant Call-Off Order for each day of delay until actual delivery or performance of services has been effected and completed, up to a cumulative maximum deduction of ten per cent (10%) of such amount.

Once the maximum deduction is reached, UNIDO may, in its sole and unfettered discretion and without prejudice to its rights or other remedies under the Long Term Agreement, cancel the relevant Call-Off Order with immediate effect and at no cost to UNIDO. In the event of cancellation, UNIDO may procure, upon such terms and in such manner as it deems appropriate, equipment similar to that which Contractor failed to deliver, and the Contractor shall, in addition, be liable to UNIDO for any excess costs for such similar equipment. [However, the Contractor shall continue performance of the Call-Off Order and this Long Term Agreement to the extent not cancelled.] [UNIDO LEG: the bracketed text does not make sense. If the order is cancelled, the Contractor is under no obligation to perform. Suggest deletion.]

**4.07 Termination of the Long Term Agreement**

1. UNIDO may terminate the Long Term Agreement in whole or in part and at any time upon thirty (30) days’ notice of termination to the Contractor.
2. In the event such termination is not caused by the Contractor’s negligence or fault, UNIDO, shall be liable to the Contractor for payment in respect of deliveries of Equipment already satisfactorily accomplished and accepted and in conformity with the terms of the Long Term Agreement, and for the cost of such urgent work as is essential and as the Contractor is asked by UNIDO to complete.
3. The Contractor shall keep expenses at a minimum and shall not undertake any forward commitment from the date of receipt of UNIDO’s notice of termination.
4. In the event of termination, the Contractor shall take immediate steps to bring the Long Term Agreement to a close in a prompt and orderly manner in accordance with any instructions from UNIDO.

IN WITNESS WHEREOF, the Parties hereto have executed this Long Term Agreement.

**[insert Contractor details] UNITED NATIONS INDUSTRIAL**

 **DEVELOPMENT ORGANIZATION**

 Chief

 Procurement Services Division

 UNIDO

 P.O. Box 300

 A‑1400 Vienna

 AUSTRIA

Date:........................................................... Date:..................................................