

## **AGREEMENT OF THE PROVISION OF PROCUREMENT SERVICES**

**BETWEEN:** THE UNITED NATIONS DEVELOPMENT PROGRAMME, UNDP

**AND:** THE UNITED NATIONS POPULATION FUND, UNFPA

### **WHEREAS**

- A. Under this Agreement, UNFPA offers Procurement services to UNDP for the supplies and services for use in promoting reproductive health.
- B. This cooperation is being established in the context of providing joint support to recipient countries.
- C. Where the funding source for Procurement Services transactions is The Global Fund to Fight AIDS, Tuberculosis and Malaria, it is the understanding of the parties that the governments of recipient countries endorse the cooperation between the parties in providing goods and services to their countries.

THE PARTIES hereby agree:

- 1. Supplies and services will be procured in accordance with UNFPA's Procurement Procedures and Financial Regulations and Rules.
- 2. UNFPA's Procurement Service is based upon the following principles of operation
  - a). UNDP shall submit to UNFPA formal written requests, detailing any requirements it wishes UNFPA to procure (the "Requests"). Requests may be transmitted to UNFPA by facsimile or PDF, provided the Request clearly shows the signature, full name and title of a duly authorized official of UNDP, and provided that an original signed Request is delivered or mailed to UNFPA prior to or immediately after the facsimile transmission.
  - b). The Request shall provide the following information:
    - (i) Information indicating the name and type of project for which the goods are intended;
    - (ii) Full details of the goods required, formulation, strength, unit of packaging, standards or specifications applicable;
    - (iii) Quantity required of each item requested clearly specifying unit of purchase.
  - c). UNFPA expressly reserves the right, in its sole discretion, to accept or reject any such Request. The acceptance of any Request shall be subject to this Agreement.
  - d). Upon acceptance of the Request by UNFPA, a proforma invoice will be sent to UNDP, covering the goods to be ordered and giving the total cost of the goods, pre-shipment inspection costs, and where applicable, insurance and freight costs. Also included shall be UNFPA's standard fee of 5% of the cost of the order (including the implications of INCOTERMS), to defray the administrative costs incurred by UNFPA in the provision of Services under this Agreement. Prices quoted in the proforma invoice will be subject to change without notice. Actual prices may be higher or lower, and shall be based upon prices invoiced to UNFPA by the suppliers of the goods and of the actual costs of inspection, shipment services and insurance as applicable. The proforma invoice shall constitute notice to UNDP that its Request has been accepted by UNFPA.

- e) UNDP shall be responsible for verifying that the description of the goods and procurement units in the proforma invoice are in agreement with the Request.
- f). Amendments to a Request, or cancellation or reduction of quantities already accepted by UNFPA, may be effected only with the prior written agreement of both parties. UNDP shall be responsible for payment of any costs or penalties arising from a cancellation or reduction or increase of quantities. UNFPA will use its best endeavors to minimize such costs.
- g). UNFPA requires advance payment of the costs set out in the proforma invoice. For orders from UN Agency Headquarters, the advance payment requirement is waived for orders with a cumulative pending value of up to 250,000 USD.
- h). The principle of reimbursement of incurred costs applies to Procurement Services. UNDP is liable for cost increases of goods and services listed in the proforma invoice, including proportional increases in UNFPA's handling fee, other incidental costs and, if requested, for costs of other services such as pre-delivery inspection. Balances in favor of UNDP will be returned.
- i). UNFPA's sole responsibility in respect of the Services shall be limited to the execution with reasonable diligence and efficiency of a Request accepted by the UNFPA as herein provided. UNFPA shall have no legal liability either to the Government, UNDP or to any third party arising out of or in connection with the performance of the Services and shall not be responsible for, inter alia, loss or damage to the goods or for delays or failures in shipment or delivery of the goods, except if due to UNFPA's failure to execute the Request with reasonable diligence and efficiency.
- j). In no event shall any liability of UNFPA to the Government or to any third person, whether such liability arises under this Agreement or otherwise, exceed the purchase price of goods in respect of which the liability arises. Moreover, UNFPA shall under no circumstances be liable for any indirect or consequential damages arising from the performance of the Services under this Agreement.
- k). UNFPA does not act as the consignee of supplies. All Supplies are deemed delivered upon arrival at the port of entry. The client is responsible for reception, customs clearance and distribution of supplies.
- l). UNFPA does not accept the return of unused supplies.
- m). Circumstances of force majeure will be respected by both Parties.
- n). A statement of account is issued by UNFPA upon shipment of all supplies / delivery of services and after recording of all expenses incurred.
- p). UNFPA shall pass on to UNDP all warranties offered by the manufacturer(s) or supplier(s) of the goods, and shall ensure that all contracts with the manufacturer(s), supplier(s), seller(s), shipper(s) or insurer(s) include provision covering product liability claims. UNFPA offers no warranty, expressed or implied, of any nature whatever, including warranties that the goods are merchantable or fit for any particular purpose.
- q). The parties shall consult on all matters affecting the agreement. In the event of a dispute the parties shall resolve amicably through negotiation.

3. The Parties shall coordinate public relations measures, if any, in regard to their cooperation.
4. This Agreement will enter into force on the day of the last signature affixed by the Parties and shall remain in force until terminated by either Party.
5. Either Party may terminate this Agreement without cause upon ninety (90) days' and for cause upon fourteen (14) days' written notice to the other.
6. Upon termination of this Agreement, the Parties will take all reasonable and necessary measures to conclude any Procurement Services already commenced. The provisions of this Agreement will survive any termination, to the extent necessary to permit an orderly settlement of accounts between the Parties.
7. This Agreement may be altered, modified or amended only by written instrument duly executed by the Parties.

IN WITNESS WHEREOF, the PARTIES hereto have executed this Agreement.

UNDP, the United Nations Development Program

UNFPA, the United Nations Population Fund

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**NAME OF UNDP REPRESENTATIVE**  
**TITLE**  
**DATE**  
Authorized Representative

**NAME OF UNFPA REPRESENTATIVE**  
**TITLE**  
**DATE**  
Authorized Representative