



Request for Proposal (RFP 11/07 R)

Date: 13 Nov 2007

Dear Sir/Madam,

Subject: DISPOSAL OF TOXIC HAZARDOUS CHEMICALS IN MONTENEGRO

In cooperation with the Montenegrin Ministry of Defence and OSCE, the UNDP is commissioning the Disposal of Toxic Hazardous Chemicals in Montenegro as part of the joint Montenegro Demilitarization (MONDEM) Programme. This task consists of providing a clear and logical action plan, costs breakdown as well as of implementing the activities in agreement with the provisions stated in the ToR chapter of this document. The final result to be delivered is the final, safe and environmentally benign disposal of toxic hazardous chemicals that make up the liquid propellant or filling of certain ammunition types performed in high quality manner, covering in detail all of the relevant factors and actions.

1. You are requested to submit a proposal for above services, as per enclosed Terms of Reference (TOR).

2. To enable you to submit a proposal, attached are:

- i. Instructions to Offerors (Annex I)
- ii. General Conditions of Contract..... (Annex II)
- iii. Terms of Reference (TOR)..... (Annex III)
- iv. Proposal Submission Form(Annex IV)
- v. Price Schedule(Annex V)
- vi. Bid/Proposal Security Form.....(Annex VI)
- vii. Performance Bank Guarantee(Annex VII)

3. Your offer comprising of technical proposal and financial proposal, in separate sealed envelopes, should reach the following address no later than 10th Dec 2007 at 17:00, local time.

UNDP Montenegro
Beogradska 24b
81000 Podgorica, Montenegro
"RFP 11/07 R"
"NOT TO BE OPENED BY REGISTRY"
Telephone number: +382 81 231 251
Tele-fax number: +382 81 231 644
E mail: procurement.me@undp.org

4. If you request additional information, we would endeavour to provide information expeditiously, but any delay in providing such information will not be considered a reason for extending the submission date of your proposal.

5. You are requested to acknowledge receipt of this letter and to indicate whether or not you intend to submit a proposal.

Yours sincerely,

Garret Tankosic-Kelly

Resident Representative *a.i.*
UNDP Montenegro

Annex I
Instructions to Offerors

A. *Introduction*

1. General

UNDP is launching a tender/RFP through which a team of consultants/firm will be selected to provide SERVICES FOR THE DISPOSAL OF TOXIC HAZARDOUS CHEMICALS.

2. Cost of proposal

The Offeror shall bear all costs associated with the preparation and submission of the Proposal, the UNDP will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the solicitation.

B. *Solicitation Documents*

3. Contents of solicitation documents

Proposals must offer services for the total requirement. Proposals offering only part of the requirement will be rejected. The Offeror is expected to examine all corresponding instructions, forms, terms and specifications contained in the Solicitation Documents. Failure to comply with these documents will be at the Offeror's risk and may affect the evaluation of the Proposal.

4. Clarification of solicitation documents

A prospective Offeror requiring any clarification of the Solicitation Documents may notify the procuring UNDP entity in writing at the organisation's email address (procurement.me@undp.org) or fax number (+382 81 231 644) indicated in the RFP. The procuring UNDP entity will respond in writing by posting on the UNDP website www.undp.org.yu/montenegro/files/tenders to any request for clarification of the Solicitation Documents that it receives earlier than one week prior to the deadline for the submission of Proposals.

5. Amendments of solicitation documents

At any time prior to the deadline for submission of Proposals, the procuring UNDP entity may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective Offeror, modify the Solicitation Documents by amendment and post it on the above mentioned UNDP web sites. All prospective offerors are encouraged to visit the UNDP web sites regularly.

In order to afford prospective Offerors reasonable time in which to take the amendments into account in preparing their offers, the procuring UNDP entity may, at its discretion, extend the deadline for the submission of Proposals.

C. *Preparation of Proposals*

6. Language of the proposal

The Proposals prepared by the Offeror and all correspondence and documents relating to the Proposal exchanged by the Offeror and the procuring UNDP entity shall be written in the English language. Any printed literature furnished by the Offeror may be written in another language so long as accompanied by an English/French/Spanish translation of its pertinent passages in which case, for purposes of interpretation of the Proposal, the English /French /Spanish translation shall govern.

UNITED NATIONS DEVELOPMENT PROGRAMME

7. Documents comprising the proposal

The Proposal shall comprise the following components:

- (a) Proposal submission form;
- (b) Operational and technical part of the Proposal, including documentation to demonstrate that the Offeror meets all requirements;
- (c) Price schedule, completed in accordance with clauses 8 and 9;
- (d) Proposal security.

8. Proposal form

The Offeror shall structure the operational and technical part of its Proposal as follows:

(a) Management plan

This section should provide corporate orientation to include the year and state/country of incorporation and a brief description of the Offeror's present activities. It should focus on services related to the Proposal.

This section should also describe the organisational unit(s) that will become responsible for the contract, and the general management approach towards a project of this kind. The Offeror should comment on its experience in similar projects and identify the person(s) representing the Offeror in any future dealing with the procuring UNDP entity.

(b) Resource plan

This should fully explain the Offeror's resources in terms of personnel and facilities necessary for the performance of this requirement. It should describe the Offeror's current capabilities/facilities and any plans for their expansion.

(c) Proposed methodology

This section should demonstrate the Offeror's responsiveness to the specification by identifying the specific components proposed, addressing the requirements, as specified, point by point; providing a detailed description of the essential performance characteristics proposed warranty; and demonstrating how the proposed methodology meets or exceeds the specifications.

The operational and technical part of the Proposal should not contain any pricing information whatsoever on the services offered. Pricing information shall be separated and only contained in the appropriate Price Schedules.

It is mandatory that the Offeror's Proposal numbering system corresponds with the numbering system used in the body of this RFP. All references to descriptive material and brochures should be included in the appropriate response paragraph, though material/documents themselves may be provided as annexes to the Proposal/response.

Information, which the Offeror considers proprietary, if any, should be clearly marked "proprietary" next to the relevant part of the text and it will then be treated as such accordingly.

9. Proposal prices

The Offeror shall indicate on an appropriate Price Schedule, an example of which is contained in these Solicitation Documents, the prices of services it proposes to supply under the contract.

10. Proposal currencies

All prices shall be quoted in US dollars or EUROS.

UNITED NATIONS DEVELOPMENT PROGRAMME

11. Period of validity of proposals

Proposals shall remain valid for sixty (60) days after the date of Proposal submission prescribed by the procuring UNDP entity, pursuant to the deadline clause. A Proposal valid for a shorter period may be rejected by the procuring UNDP entity on the grounds that it is non-responsive.

In exceptional circumstances, the procuring UNDP entity may solicit the Offeror's consent to an extension of the period of validity. The request and the responses thereto shall be made in writing. An Offeror granting the request will not be required nor permitted to modify its Proposal.

12. Format and signing of proposals

The Offeror shall prepare two copies of the Proposal, clearly marking each "Original Proposal" and "Copy of Proposal" as appropriate. In the event of any discrepancy between them, the original shall govern.

The two copies of the Proposal shall be typed or written in indelible ink and shall be signed by the Offeror or a person or persons duly authorised to bind the Offeror to the contract. The latter authorisation shall be indicated by written power-of-attorney accompanying the Proposal.

A Proposal shall contain no interlineations, erasures, or overwriting except, as necessary to correct errors made by the Offeror, in which case such corrections shall be initialled by the person or persons signing the Proposal.

13. Payment

UNDP shall effect payments to the Contractor after acceptance by UNDP of the invoices submitted by the contractor, upon achievement of the corresponding milestones.

D. *Submission of Proposals*

14. Sealing and marking of proposals

The Offeror shall seal the Proposal in one outer and two inner envelopes, as detailed below.

(a) The outer envelope shall be:

addressed to
UNDP Montenegro
Beogradska 24b
81000 Podgorica, Montenegro
Telephone number: +382 81 231 251
Telefax number: +382 81 231 644

and marked with

"RFP 011/07 R : DISPOSAL OF TOXIC, HAZARDOUS CHEMICALS IN MONTENEGRO"

(b) Both inner envelopes shall indicate the name and address of the Offeror. The first inner envelope shall contain the information specified in Clause 8 (Proposal form) above, with the copies duly marked "Original" and "Copy". The second inner envelope shall include the price schedule duly identified as such.

Note, if the inner envelopes are not sealed and marked as per the instructions in this clause, the procuring UNDP entity will not assume responsibility for the Proposal's misplacement or premature opening.

15. Deadline for submission of proposals

UNITED NATIONS DEVELOPMENT PROGRAMME

Proposals must be received by the procuring UNDP entity at the address specified under clause Sealing and marking of Proposals **no later than 10th Dec 2007 at 17:00, local time.**

The procuring UNDP entity may, at its own discretion extend this deadline for the submission of Proposals by amending the solicitation documents in accordance with clause Amendments of Solicitation Documents, in which case all rights and obligations of the procuring UNDP entity and Offerors previously subject to the deadline will thereafter be subject to the deadline as extended.

16. Late Proposals

Any Proposal received by the procuring UNDP entity after the deadline for submission of proposals, pursuant to clause Deadline for the submission of proposals, will be rejected.

17. Modification and withdrawal of Proposals

The Offeror may withdraw its Proposal after the Proposal's submission, provided that written notice of the withdrawal is received by the procuring UNDP entity prior to the deadline prescribed for submission of Proposals.

The Offeror's 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 Offeror on the Proposal Submission Form.

E. *Opening and Evaluation of Proposals*

18. Opening of proposals

The procuring entity will open the Proposals in the presence of a Committee formed by the Head of the procuring UNDP entity.

19. Clarification of proposals

To assist in the examination, evaluation and comparison of Proposals, the Purchaser may at its discretion, ask the Offeror for clarification of its Proposal. The request for clarification and the response shall be in writing and no change in price or substance of the Proposal shall be sought, offered or permitted.

20. Preliminary examination

The Purchaser will examine the Proposals to determine whether they are complete, whether any computational errors have been made, whether the documents have been properly signed, and whether the Proposals are generally in order.

Arithmetical errors will be rectified on the following basis: If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected. If the Offeror does not accept the correction of errors, its Proposal will be rejected. If there is a discrepancy between words and figures the amount in words will prevail.

Prior to the detailed evaluation, the Purchaser will determine the substantial responsiveness of each Proposal to the Request for Proposals (RFP). For purposes of these Clauses, a substantially responsive Proposal is one which conforms to all the terms and conditions of the RFP without material deviations. The Purchaser's determination of a Proposal's responsiveness is based on the contents of the Proposal itself without recourse to extrinsic evidence.

UNITED NATIONS DEVELOPMENT PROGRAMME

A Proposal determined as not substantially responsive will be rejected by the Purchaser and may not subsequently be made responsive by the Offeror by correction of the non-conformity.

21. Evaluation and comparison of proposals

A two-stage procedure is utilised in evaluating the proposals, with evaluation of the technical proposal being completed prior to any price proposal being opened and compared. The price proposal of the Proposals will be opened only for submissions that passed the minimum technical score of 70% of the obtainable score of 1000 points in the evaluation of the technical proposals.

The technical proposal is evaluated on the basis of its responsiveness to the Term of Reference (TOR).

In the Second Stage, the price proposal of all contractors, who have attained minimum 70% score in the technical evaluation, will be compared and the weights will be applied to both technical and financial proposals in the 70:30 (respectively) proportion.

Technical Evaluation Criteria

A separate technical proposal evaluation will be completed for EACH of the three chemical types to be disposed of.

Summary of Technical Proposal Evaluation Forms		Score Weight	Points Obtainable	Company / Other Entity				
				A	B	C	D	E
1.	Expertise of Firm / Organization submitting Proposal	30%	300					
2.	Proposed Work Plan and Approach	60%	600					
3.	Personnel	10%	100					
Total			1000					

Evaluation forms for technical proposals follow on the next two pages. The obtainable number of points specified for each evaluation criterion indicates the relative significance or weight of the item in the overall evaluation process. The Technical Proposal Evaluation Forms are:

Form 1: Expertise of Firm / Organization Submitting Proposal

Form 2: Proposed Work Plan and Approach

Form 3: Personnel

Note: The score weights and points obtainable in the evaluation sheet are tentative and should be changed depending on the need or major attributes of technical proposal.

Technical Proposal Evaluation Form 1		Points obtainable	Company / Other Entity				
			A	B	C	D	E
Expertise of firm / organization submitting proposal							
1.1	Reputation of Organization and Staff (Competence / Reliability)	30					
1.2	Litigation and Arbitration history	10					

UNITED NATIONS DEVELOPMENT PROGRAMME

1.3	General Organizational Capability which is likely to affect implementation (i.e. loose consortium, holding company or one firm, size of the firm / organization, strength of project management support e.g. project financing capacity and project management controls)	70					
1.4	Extent to which any work would be subcontracted (subcontracting carries additional risks which may affect project implementation, but properly done it offers a chance to access specialized skills.	10					
1.5	Quality assurance procedures, warranty	80					
1.6	Relevance of: <ul style="list-style-type: none"> - Specialized Knowledge - Experience on Similar Programme / Projects - Experience on Projects in the Region - Work for UNDP/ major multilateral/ or bilateral programmes 	100					
		300					

Technical Proposal Evaluation Form 2		Points Obtainable	Company / Other Entity				
			A	B	C	D	E
Proposed Work Plan and Approach							
2.1	Have the important aspects of the task been addressed in sufficient detail?	95					
2.2	Are the different components of the project adequately weighted relative to one another?	40					
2.3	Is the proposal based on a survey of the project environment and was this data input properly used in the preparation of the proposal?	40					
2.4	Is the conceptual framework adopted appropriate for the task?	95					
2.5	Is the scope of task well defined and does it correspond to the TOR?	230					
2.6	Is the presentation clear and is the sequence of activities and the planning logical, realistic and promise efficient implementation to the project?	100					
		600					

Technical Proposal Evaluation Form 3		Points Obtainable	Company / Other Entity				
			A	B	C	D	E
3.1	Task Manager	60					
		Sub-Score					
	General Qualification	60					
	Suitability for the Project						
	- International Experience	5					
	- Training Experience	0					
	- Professional Experience in the area of specialization	45					
	- Knowledge of the region	5					

UNITED NATIONS DEVELOPMENT PROGRAMME

	- Language Qualifications	5							
		60							
3.2	Technical Expert		40						
		Sub-Score							
	General Qualification	40							
	Suitability for the Project								
	- International Experience	0							
	- Training Experience	0							
	- Professional Experience in the area of specialisation	35							
	- Knowledge of the region	0							
	- Language Qualifications	5							
		40							
	Total Part 3		100						
Grand Total:									
Evaluator's Comments:									

F. *Award of Contract*

22. Award criteria, award of contract

The procuring UNDP entity reserves the right to accept or reject any Proposal, and to annul the solicitation process and reject all Proposals at any time prior to award of contract, without thereby incurring any liability to the affected Offeror or any obligation to inform the affected Offeror or Offerors of the grounds for the Purchaser's action.

Prior to expiration of the period of proposal validity, the procuring UNDP entity will award the contract to the qualified Offeror whose Proposal after being evaluated is considered to be the most responsive to the needs of the organisation and activity concerned.

23. Purchaser's right to vary requirements at time of award

The Purchaser reserves the right at the time of award of contract to vary the quantity of services and goods specified in the RFP without any change in price or other terms and conditions.

24. Signing of the contract

Within 30 days of receipt of the contract the successful Offeror shall sign and date the contract and return it to the Purchaser.

25. Performance security

Within 30 days of the receipt of the Contract from the Purchaser, the successful Offeror shall provide the performance security on the Performance Security Form provided in the Solicitation Documents and in accordance with the Special Conditions of Contract.

UNITED NATIONS DEVELOPMENT PROGRAMME

Failure of the successful Offeror to comply with the requirement of Clause 24 or Clause 25 shall constitute sufficient grounds for the annulment of the award and forfeiture of the Proposal security if any, in which event the Purchaser may make the award to the next lowest evaluated Offeror or call for new Proposals.

Annex II

General Conditions of Contract

1. LEGAL STATUS

The Contractor shall be considered as having the legal status of an independent contractor vis-à-vis UNDP. The Contractor's personnel and sub-contractors shall not be considered in any respect as being the employees or agents of UNDP or the United Nations.

2. SOURCE OF INSTRUCTIONS

The Contractor shall neither seek nor accept instructions from any authority external to UNDP in connection with the performance of its services under this Contract. The Contractor shall refrain from any action which may adversely affect UNDP or the United Nations and shall fulfil its commitments with the fullest regard to the interests of UNDP.

3. CONTRACTOR'S RESPONSIBILITY FOR EMPLOYEES

The Contractor shall be responsible for the professional and technical competence of its employees and will select, for work under this Contract, reliable individuals who will perform effectively in the implementation of this Contract, respect the local customs, and conform to a high standard of moral and ethical conduct.

4. ASSIGNMENT

The Contractor shall not assign, transfer, pledge or make other disposition of this Contract or any part thereof, or any of the Contractor's rights, claims or obligations under this Contract except with the prior written consent of UNDP.

5. SUB-CONTRACTING

In the event the Contractor requires the services of sub-contractors, the Contractor shall obtain the prior written approval and clearance of UNDP for all sub-contractors. The approval of UNDP of a sub-contractor shall not relieve the Contractor of any of its obligations under this Contract. The terms of any sub-contract shall be subject to and conform with the provisions of this Contract.

6. OFFICIALS NOT TO BENEFIT

The Contractor warrants that no official of UNDP or the United Nations has received or will be offered by the Contractor any direct or indirect benefit arising from this Contract or the award thereof. The Contractor agrees that breach of this provision is a breach of an essential term of this Contract.

7. INDEMNIFICATION

The Contractor shall indemnify, hold and save harmless, and defend, at its own expense, UNDP, its officials, agents, servants and employees from and against all suits, claims, demands, and liability of any nature or kind, including their costs and expenses, arising out of acts or omissions of the Contractor, or the Contractor's employees, officers, agents or sub-contractors, in the performance of this Contract. This provision shall extend, inter alia, to claims and liability in the nature of workmen's compensation, products liability and liability arising out of the use of patented inventions or devices, copyrighted material or other intellectual property by the Contractor, its employees, officers, agents, servants or sub-contractors. The obligations under this Article do not lapse upon termination of this Contract.

8. INSURANCE AND LIABILITIES TO THIRD PARTIES

UNITED NATIONS DEVELOPMENT PROGRAMME

8.1 The Contractor shall provide and thereafter maintain insurance against all risks in respect of its property and any equipment used for the execution of this Contract.

8.2 The Contractor shall provide and thereafter maintain all appropriate workmen's compensation insurance, or its equivalent, with respect to its employees to cover claims for personal injury or death in connection with this Contract.

8.3 The Contractor shall also provide and thereafter maintain liability insurance in an adequate amount to cover third party claims for death or bodily injury, or loss of or damage to property, arising from or in connection with the provision of services under this Contract or the operation of any vehicles, boats, airplanes or other equipment owned or leased by the Contractor or its agents, servants, employees or sub-contractors performing work or services in connection with this Contract.

8.4 Except for the workmen's compensation insurance, the insurance policies under this Article shall:

- (i) Name UNDP as additional insured;
- (ii) Include a waiver of subrogation of the Contractor's rights to the insurance carrier against UNDP;
- (iii) Provide that UNDP shall receive thirty (30) days written notice from the insurers prior to any cancellation or change of coverage.

8.5 The Contractor shall, upon request, provide UNDP with satisfactory evidence of the insurance required under this Article.

9. ENCUMBRANCES/LIENS

The Contractor shall not cause or permit any lien, attachment or other encumbrance by any person to be placed on file or to remain on file in any public office or on file with UNDP against any monies due or to become due for any work done or materials furnished under this Contract, or by reason of any other claim or demand against the Contractor.

10. TITLE TO EQUIPMENT

Title to any equipment and supplies that may be furnished by UNDP shall rest with UNDP and any such equipment shall be returned to UNDP at the conclusion of this Contract or when no longer needed by the Contractor. Such equipment, when returned to UNDP, shall be in the same condition as when delivered to the Contractor, subject to normal wear and tear. The Contractor shall be liable to compensate UNDP for equipment determined to be damaged or degraded beyond normal wear and tear.

11. COPYRIGHT, PATENTS AND OTHER PROPRIETARY RIGHTS

UNDP shall be entitled to all intellectual property and other proprietary rights including but not limited to patents, copyrights, and trademarks, with regard to products, or documents and other materials which bear a direct relation to or are produced or prepared or collected in consequence of or in the course of the execution of this Contract. At the UNDP's request, the Contractor shall take all necessary steps, execute all necessary documents and generally assist in securing such proprietary rights and transferring them to UNDP in compliance with the requirements of the applicable law.

12. USE OF NAME, EMBLEM OR OFFICIAL SEAL OF UNDP OR THE UNITED NATIONS

The Contractor shall not advertise or otherwise make public the fact that it is a Contractor with UNDP, nor shall the Contractor, in any manner whatsoever use the name, emblem or official seal of UNDP or the United Nations, or any abbreviation of the name of UNDP or the United Nations in connection with its business or otherwise.

13. CONFIDENTIAL NATURE OF DOCUMENTS AND INFORMATION

UNITED NATIONS DEVELOPMENT PROGRAMME

13.1 All maps, drawings, photographs, mosaics, plans, reports, recommendations, estimates, documents and all other data compiled by or received by the Contractor under this Contract shall be the property of UNDP, shall be treated as confidential and shall be delivered only to UNDP authorized officials on completion of work under this Contract.

13.2 The Contractor may not communicate at any time to any other person, Government or authority external to UNDP, any information known to it by reason of its association with UNDP which has not been made public except with the authorization of UNDP; nor shall the Contractor at any time use such information to private advantage. These obligations do not lapse upon termination of this Contract.

14. FORCE MAJEURE; OTHER CHANGES IN CONDITIONS

14.1 Force majeure, as used in this Article, means acts of God, war (whether declared or not), invasion, revolution, insurrection, or other acts of a similar nature or force which are beyond the control of the Parties.

14.2 In the event of and as soon as possible after the occurrence of any cause constituting force majeure, the Contractor shall give notice and full particulars in writing to UNDP, of such occurrence or change if the Contractor is thereby rendered unable, wholly or in part, to perform its obligations and meet its responsibilities under this Contract. The Contractor shall also notify UNDP of any other changes in conditions or the occurrence of any event which interferes or threatens to interfere with its performance of this Contract. The notice shall include steps proposed by the Contractor to be taken including any reasonable alternative means for performance that is not prevented by force majeure. On receipt of the notice required under this Article, UNDP shall take such action as, in its sole discretion, it considers to be appropriate or necessary in the circumstances, including the granting to the Contractor of a reasonable extension of time in which to perform its obligations under this Contract.

14.3 If the Contractor is rendered permanently unable, wholly, or in part, by reason of force majeure to perform its obligations and meet its responsibilities under this Contract, UNDP shall have the right to suspend or terminate this Contract on the same terms and conditions as are provided for in Article 15, "Termination", except that the period of notice shall be seven (7) days instead of thirty (30) days.

15. TERMINATION

15.1 Either party may terminate this Contract for cause, in whole or in part, upon thirty days notice, in writing, to the other party. The initiation of arbitral proceedings in accordance with Article 16 "Settlement of Disputes" below shall not be deemed a termination of this Contract.

15.2 UNDP reserves the right to terminate without cause this Contract at any time upon 15 days prior written notice to the Contractor, in which case UNDP shall reimburse the Contractor for all reasonable costs incurred by the Contractor prior to receipt of the notice of termination.

15.3 In the event of any termination by UNDP under this Article, no payment shall be due from UNDP to the Contractor except for work and services satisfactorily performed in conformity with the express terms of this Contract. The Contractor shall take immediate steps to terminate the work and services in a prompt and orderly manner and to minimize losses and further expenditures.

15.4 Should the Contractor be adjudged bankrupt, or be liquidated or become insolvent, or should the Contractor make an assignment for the benefit of its creditors, or should a Receiver be appointed on account of the insolvency of the Contractor, UNDP may, without prejudice to any other right or remedy it may have, terminate this Contract forthwith. The Contractor shall immediately inform UNDP of the occurrence of any of the above events.

16. SETTLEMENT OF DISPUTES

16.1. Amicable Settlement

The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of, or relating to this Contract or the breach, termination or invalidity thereof. Where the parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the UNCITRAL Conciliation Rules then obtaining, or according to such other procedure as may be agreed between the parties.

16.2. Arbitration

UNITED NATIONS DEVELOPMENT PROGRAMME

Unless, any such dispute, controversy or claim between the Parties arising out of or relating to this Contract or the breach, termination or invalidity thereof is settled amicably under the preceding paragraph of this Article within sixty (60) days after receipt by one Party of the other Party's request for such amicable settlement, such dispute, controversy or claim shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining, including its provisions on applicable law. The arbitral tribunal shall have no authority to award punitive damages. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy, claim or dispute.

17. PRIVILEGES AND IMMUNITIES

Nothing in or relating to this Contract shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including its subsidiary organs.

18. TAX EXEMPTION

18.1 Section 7 of the Convention on the Privileges and Immunities of the United Nations provides, inter-alia, that the United Nations, including its subsidiary organs, is exempt from all direct taxes, except charges for public utility services, and is exempt from customs duties and charges of a similar nature in respect of articles imported or exported for its official use. In the event any governmental authority refuses to recognize the United Nations exemption from such taxes, duties or charges, the Contractor shall immediately consult with UNDP to determine a mutually acceptable procedure.

18.2 Accordingly, the Contractor authorizes UNDP to deduct from the Contractor's invoice any amount representing such taxes, duties or charges, unless the Contractor has consulted with UNDP before the payment thereof and UNDP has, in each instance, specifically authorized the Contractor to pay such taxes, duties or charges under protest. In that event, the Contractor shall provide UNDP with written evidence that payment of such taxes, duties or charges has been made and appropriately authorized.

19. CHILD LABOUR

19.1 The Contractor represents and warrants that neither it, nor any of its suppliers is engaged in any practice inconsistent with the rights set forth in the Convention on the Rights of the Child, including Article 32 thereof, which, inter alia, requires that a child shall be protected from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical mental, spiritual, moral or social development.

19.2 Any breach of this representation and warranty shall entitle UNDP to terminate this Contract immediately upon notice to the Contractor, at no cost to UNDP.

20. MINES

20.1 The Contractor represents and warrants that neither it nor any of its suppliers is actively and directly engaged in patent activities, development, assembly, production, trade or manufacture of mines or in such activities in respect of components primarily utilized in the manufacture of Mines. The term "Mines" means those devices defined in Article 2, Paragraphs 1, 4 and 5 of Protocol II annexed to the Convention on Prohibitions and Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects of 1980.

20.2 Any breach of this representation and warranty shall entitle UNDP to terminate this Contract immediately upon notice to the Contractor, without any liability for termination charges or any other liability of any kind of UNDP.

21. OBSERVANCE OF THE LAW

The Contractor shall comply with all laws, ordinances, rules, and regulations bearing upon the performance of its obligations under the terms of this Contract.

22. AUTHORITY TO MODIFY

No modification or change in this Contract, no waiver of any of its provisions or any additional contractual relationship of any kind with the Contractor shall be valid and enforceable against UNDP unless provided by an amendment to this Contract signed by the authorized official of UNDP.

ANNEX III

**DISPOSAL OF TOXIC, HAZARDOUS CHEMICALS
REPUBLIC OF MONTENEGRO
TERMS OF REFERENCE**

BACKGROUND

1. This project is a component of the SALW (Conventional Ammunition) Disposal and Safe Storage Programme (MONDEM) agreed in a joint Framework Document between the Government of Montenegro, OSCE Mission to Montenegro and UNDP Montenegro on 18 April 2007.¹

2. One of the challenges facing the Government of the newly independent Republic of Montenegro are large stockpiles of surplus weapons and ammunition, left as a legacy of the Former Yugoslavia. In this stockpile there are **86,306 L of liquid propellant** (fuel and oxidiser for rockets) that presents serious humanitarian and environmental threat to the populated area of the Kotor Bay region. The stockpile also contains **25.84 tonnes of Napalm Thickener** that is stored within the boundaries of Podgorica International Airport. The oxidiser (mélange) by itself is a complex chemical substance, whose components are extremely active, easily evaporating and highly toxic. It presents a serious threat to the environment and public health due to its chemical composition and the progressive deterioration of storage conditions.

3. Based on a request from the Ministry of Defence (MOD) of the Republic of Montenegro, UNDP/SEESAC commissioned the development of a technical assessment for ammunition demilitarisation in Montenegro. In cooperation with the MOD, the chemical components which require immediate disposal were identified during the UNDP/SEESAC technical assessment for ammunition demilitarisation. The chemicals stored in the Pristan military storage site includes:

- **40,226 L Fuel (TG-2)** stored in **25** aluminium containers with a volume of 2m³, and steel drums with a capacity of 200 litres
- **46,080 L of Oxidiser (AK-20K)**, an IRFNA derivative.

When the fuel is mixed with the oxidizer, they become the hypergolic propellant used in the P20, P21, and P22 STYX missiles. The Fuel TG-2 is a mixture of technical isomers of xylidine² and bi-tri-ethylamine, which is an oily liquid that easily vaporises under normal climatic conditions. The colour varies from yellow to brown and it has the characteristic scent of oily amines. The technical data is as follows, although percentages may vary slightly:

COMPONENT / ITEM	%	SPECIFIC WEIGHT	QUANTITY (LITRES)	QUANTITY (TONNES)	UN DATA	EU DATA
Xylidine (CH ₃)C ₆ H ₃ NH ₂	50.0				HCC - 1.6 UN Pack Group - II	Symbol - T N
Di-ethylamine	< 1.5					
Tri-ethylamine	> 48.5					
TOTALS	100.0	0.85	48,420	41.16		

¹ The overarching Framework Programme Document (MONDEM), under which this project falls, has been agreed under the terms of the Memorandum of Understanding between the OSCE CPC and UNDP BCPR/RBEC on Joint Implementation of Projects on SALW and Conventional Ammunition (02 June 2006). This cooperation as a joint project has been affirmed in a Letter of Intent between the OSCE Mission to Montenegro and UNDP Country Office in Montenegro of 5 April 2007, which has been agreed by the Government of Montenegro.

² Known locally as Ksilidin. Xylidine is also known as Dimethylaminobenzene, dimethylaniline, dimethylphenylamine, aminodimethyl benzene.

UNITED NATIONS DEVELOPMENT PROGRAMME

The AK-20K Oxidiser is a strong corrosive oxidiser which may cause fire when it contacts other materials. Liquid and mist cause severe burns to all body tissue and may be fatal if swallowed or inhaled. Technical data for Oxidiser AK-20K is as follows, although again the percentages may vary slightly:³

COMPONENT	%	SPECIFIC WEIGHT	QUANTITY (LITRES)	QUANTITY (TONNES)
Nitric Acid (HNO ₃)	74.6			
N ₂ O ₄	< 22.5			
H ₃ PO ₄ Hydrogen Fluoride (HF) Water	< 4.4			
TOTALS	100.0	1.60	54,740	87.58

4. The chemical components stored in Pristan are partly in the open and partly in buildings that have no ventilation or drainage channels. Due to the lack of appropriate storage conditions and climatic conditions (humidity and high temperatures), the existing containers are corroded, not properly hermetically sealed and beyond their safe self-life. The consequence is the very strong probability of uncontrolled evaporation of the chemicals into the atmosphere and the possibility of wider leakage.

5. The decanting from the storage containers and subsequent disposal of the Oxidiser AK-20K is a complex process that should be conducted by an accredited chemical (nitric acid capable) or waste management company on site, or in their stationary facilities outside the country. All safe and environmentally benign disposal or recycling options will be considered during the tender evaluation.

6. Whilst not as toxic or hazardous as the oxidiser, the TG-02 Fuel and the 25.84 tonnes of Napalm thickener (stored at the Podgorica military airport) may also be dealt with under the same chemical waste disposal contract, **although proposals for the disposal and/or recycling of each individual component will also be considered.** The disposal of these chemical substances should be undertaken by a hazardous waste disposal organization, chemical industry or possibly recycling organization (for the Napalm and Fuel only).

7. All disposal and/or recycling operations must be in accordance with the appropriate international and EU environmental and safety hazardous goods and waste transport and disposal directives.^{4 5 6 7}

8. Previous experience within NATO, OSCE and UNDP for oxidiser (mélange) disposal has indicated that the 'economy of scale' is an important factor in selection of disposal options. For small quantities (<75 tonnes) it is sometimes more cost effective to dispose of directly⁸ through a competitive commercial contract. For larger quantities (>300 tonnes) it is often more cost effective to build national capacity 'on site' by the procurement of specialist equipment to convert the mélange into fertiliser or to develop the capability for disposal by destruction operations in country. In the case of Montenegro the amount of oxidiser (mélange) falls between the two parameters, and therefore the competitive tender process is open to all options.

9. Previous safe disposal options within the region have included the following, although some of these would not comply with the environmental requirements of this proposed contract(s):

³ The following information is based on a technical report and chemical analysis for the disposal of a similar substance by UNDP BiH in 2005. The Substance found at the Kula 2 Storage facility in BiH was stored in identical containers and marked as AK-20.

⁴ In compliance with the Directive 2000/76/EC of the European Parliament and of the Council on 04 December 2000 on the Incineration of Waste.

⁵ In compliance with the Directive 2003/105/EC of the European Parliament and of the Council of 16 December 2003 on the Control of Major-Accident Hazards (COMAH) involving dangerous substances.

⁶ Directive 2006/12/EC of the European Parliament and of the Council of 05 April 2006 on Waste. (Where applicable).

⁷ In compliance with the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal.

⁸ By dilution if necessary, then overpack or decanting and finally transport to an accredited hazardous waste disposal facility outside the country of origin.

Oxidiser (AK-20 variants)

- Leak sealing and/or over-packing to ensure the chemicals are safe to move without leakage, OR acid dilution/neutralization and transfer to shipping containers.
- Transport to an accredited chemical waste disposal facility that complies with EU environmental waste disposal directives.
- AND/OR procurement of specialist equipment for disposal by incineration or conversion to fertiliser in country.

Fuel (TG-02)

- As for Oxidiser above.
- Disposal by open burning.
- Decanting and then disposal by contained and controlled burning with an integrated pollution control system.
- Recycling by dilution with low grade fuel, (which improves the resultant Octane rating).

Napalm Thickener

- **Recycling during the production of paints, greases, oils, asphalt, etc.**

10. The Request for Proposals (RFP) or Tender Documentation does not prejudice the final disposal option and all appropriate solutions will be considered for each chemical to be destroyed. The RFP/Tender Evaluation Board will consider; 1) compliance with appropriate environmental and safety legislation and standards; 2) technical feasibility and risk of the proposed disposal solution; 3) any contribution to the development of an indigenous capacity; and 4) financial costs. This will produce the final 'value for money' judgement. The RFP/Tender Evaluation Board will include an independent Chemical Engineer with specialist knowledge of the technology options and environmental aspects of mélange disposal and an ammunition technical specialist to cover explosive safety issues; this will ensure that all appropriate disposal proposals can be effectively evaluated.

PROJECT DELIVERABLES

The following deliverables are required under this RFP:

A. The safe and environmentally benign disposal and/or recycling of approximately **46,080 L** of Oxidiser (AK-20K) in accordance with the appropriate international and EU environmental and safety hazardous goods and waste transport and disposal directives.^{9 10 11 12}

B. The safe and environmentally benign disposal and/or recycling of approximately **40,226 L** of Fuel (TG-2) in accordance with the appropriate international and EU environmental and safety hazardous goods and waste transport and disposal directives.

C. The safe and environmentally benign disposal and/or recycling of approximately 26 tonnes of Napalm thickener in accordance with the appropriate international and EU environmental and safety hazardous goods and waste transport and disposal directives.

⁹ In compliance with the Directive 2000/76/EC of the European Parliament and of the Council on 04 December 2000 on the Incineration of Waste.

¹⁰ In compliance with the Directive 2003/105/EC of the European Parliament and of the Council of 16 December 2003 on the Control of Major-Accident Hazards (COMAH) involving dangerous substances.

¹¹ Directive 2006/12/EC of the European Parliament and of the Council of 05 April 2006 on Waste. (Where applicable).

¹² In compliance with the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal.

UNITED NATIONS DEVELOPMENT PROGRAMME

D. The decontamination, removal and disposal of the current storage containers.

The above services to be provided by the Contractor should include: 1) co-ordination, management, planning, operations and performance scheduling of all works; 2) engineering (construction, design, environmental and necessary chemical processing systems); 3) work progress reporting; 4) transportation; 5) development of safety and security procedures and emergency regulations; 6) decontamination and disassembling of the Contractor's equipment and the disposal location, including respective land sites and storage containers.

Contractor's operations shall result in no pollutant releases and by-products during operations in excess of the applicable standards above, in particular, but not limited to, air emissions, waste water discharges and solid wastes.

TENDER PROPOSALS

All appropriate technical options for the disposal and/or recycling of the chemicals will be considered, and bidding organizations should clearly indicate their proposed disposal/recycling plan and costs for each chemical. Organizations may also bid to dispose of all, some or one chemical type(s).

The tender documentation should include:

- A. High quality work plans, covering in detail all of the relevant factors including timeframe, for the disposal of each of the toxic, hazardous chemicals.
- B. A detailed cost plan for the implementation of the activities according to the work plan.
- C. A Quality Assurance plan. (ISO 9001/14001 compliant).

The following areas must be covered:

Environmental:

- Elaborate on the environmental safety measures to be undertaken during the disposal/recycling process.
- Demonstrate to what extent the disposal techniques are in compliance with the appropriate environmental directives.
- Explain their environmental monitoring plan.

Technical:

- Propose and explain the methodology for the disposal/recycling of each chemical. The methodology to be used for the disposal of each chemical must be presented separately.
- The Proposal must clearly justify the disposal/recycling solution proposed in terms of safety and environmental compliance.
- The Proposal must identify the location for the disposal process of each chemical. It is obligatory to precise as to whether the final disposal is planned to be conducted within the storage site or at another location.
- Should the Ammunition Storage Site be the chosen location, the Proposal must identify all requirements and needs of the Site in order to implement safe, environmentally benign and effective disposal activities. (i.e. water tanks, electricity, equipment, etc).
- Should shipment to another location be proposed and highly recommended the proposal should also explain the following:
 - What permissions and documents are required;
 - From which government authority or institution;

UNITED NATIONS DEVELOPMENT PROGRAMME

- The timeframe required for obtaining all legal permission and documents; and
 - Any UNDP role necessary to support acquisition of the permissions and documents.
- Explain the safe storage, transport and disposal safety measures to be undertaken, including the explanation of the proposed accident plan.

Security:

- Explain the measures to be undertaken in order to ensure physical security of the chemicals and the surroundings during the disposal process, in accordance with accepted international best practice. The contractor may assume that the Ministry of Defence will provide security at the current storage location and during any necessary transportation within Montenegro.

Financial:

- Develop a cost breakdown for the disposal process for each separate chemical. It should be prepared in a way that a price is awarded to every separate activity. It should also be prepared in accordance with the methodology structure ensuring that prices of the activities for disposal of each chemical substance are presented separately in different chapters.

COMPETENCY AND EXPERTISE REQUIREMENTS

11. General. The complex and highly technical nature of part of the task demands that a specialist group be assembled in order to implement the disposal activities ensuring high quality and safe performance. Prior knowledge and experience in chemical waste disposal is required. Extensive knowledge and experience of chemical waste disposal problems in Eastern and South Eastern Europe would be an asset but is not essential.

12. The Project Manager (PM) should be experienced in the management of multi-disciplined consultancy projects. It is likely that s/he will have worked for an international organization at a senior level, and it is highly desirable, but not essential, that the individual has specialist knowledge of former Yugoslavia. The PM may be 'double-hatted' as one of the specialist consultants.

13. Technical Consultant. The consultant must be experienced and qualified in the disposal and recycling of chemical waste with appropriate industrial experience. The individual will be familiar with the technology available and the potential disposal techniques to be used. The individual will be capable of analyzing the recommended engineering processes in terms of safety and developing a comprehensive safety plan.

CONDUCT OF THE WORK

14. The work will be carried out under the direction of the MONDEM PM. The Project Proposal will be compiled in the home country of the successful proposal.

TARGET DATES

15. To be discussed further during final contract negotiations:

20 Dec 2007	Contract signed
28 Dec 2007	Team Appointed
28 April 2007	Disposal completed / Final activity and financial reports submitted to UNDP

TRAVEL

16. Travel costs are to be borne by the bidder and should be incorporated in the cost breakdown and the Financial Proposal element of the tender.

ANNEX V

PRICE SCHEDULE

The Contractor is asked to prepare the Price Schedule as a separate envelope from the rest of the RFP response as indicated in Section D paragraph 14 (b) of the Instruction to Offerors.

All prices/rates quoted must be exclusive of all taxes, since the UNDP is exempt from taxes as detailed in Section II, Clause 18. '

The Price Schedule must provide a detailed cost breakdown. Provide separate figures for each functional grouping or category.

Estimates for cost-reimbursable items, if any, such as travel, and out of pocket expenses should be listed separately.

In case of an equipment component to the service provided, the Price Schedule should include figures for both purchase and lease/rent options. The UNDP reserves the option to either lease/rent or purchase outright the equipment through the Contractor.

The format shown on the following pages should be used in preparing the price schedule. The format includes specific expenditures, which may or may not be required or applicable but are indicated to serve as examples.

In addition to the hard copy, if possible please also provide the information on diskette (IBM compatible).

Price Schedule:				
Request for Proposals for Services				
Description of Activity/Item		Number of Staff	Monthly Rate	Estimated Amount
1.	Remuneration			
1.1	Services in Home office			
1.2	Services in Field			
2.	Out of Pocket Expenses			
2.1	Travel			
2.2	Per Diem Allowances			
2.3	Communications			
2.4	Reproduction and Reports			
2.5	Equipment and other items			
2.6	Operating Expenditure			

ANNEX VI

BID/PROPOSAL SECURITY FORM

To: The procuring entity,

Whereas [*name of contractor*] (hereinafter called the "Contractor") has submitted its proposal dated [*date submission of proposal*] for the provision of services for [*description of service*] (hereinafter called Proposal).

KNOW ALL PEOPLE by these presents that WE [*name of bank*], having our registered office at [*address of bank*] (hereinafter called "the Bank"), are bound unto [*name of Purchaser*] (hereinafter called "the Purchaser") in the sum of for which payment well and truly to be made to the said Purchaser, the Bank binds itself, its successors, and assigns by these presents. Sealed with the Common seal of the said Bank thisday of.....2000.

THE CONDITIONS of this obligation are:

1. If the Contractor withdraws its Proposal during the period of proposal validity specified by the Contractor on the Proposal Submission Form: or
2. If the Contractor, having been notified of the acceptance of its Proposal by the Purchaser during the period of validity of the proposal:
 - (a) fails or refuses to execute the Contract Form, or
 - (b) fails or refuses to furnish the Performance Security, in accordance with the Instructions to Contractors;

we undertake to pay to the Purchaser up to the above amount upon receipt of its first written demand, without the Purchaser having to substantiate its demand, provided that in its demand the Purchaser will note that the amount claimed by it is due to it, owing to the occurrence of one or both of the two conditions, specifying the occurred condition or conditions.

This guarantee will remain in force up to and including thirty (30) days after the period of validity of the proposal, and any demand in respect thereof should reach the Bank not later than the above date.

.....
Signature of the Bank

Performance Bank Guarantee

We [Bank name] have been informed that the United Nations Development Programme (hereinafter called "the UNDP") which has its Headquarter in New York concluded on date _____ a contract [*contract title and No.*] with [*Name of the company*] hereinafter referred to as "the Contractor" whom has its headquarter in _____ at a total price of _____ US dollars (\$ _____), to execute [*Insert title of contract and brief description of works*].

Whereas it has been stipulated in the Contract that the Contractor shall furnish the UNDP with a Bank Guarantee by a recognized Bank for the sum specified thereafter as security for compliance with his obligations in accordance with the Contract,

Whereas we have agreed to give the UNDP such a Bank Guarantee

And according to this contract, UNDP is required to make an advance payment to the Contractor of _____ US\$, being ___ % of the total price.

Now therefore, this being stated, we, [*BANK NAME*] [*BANK BRANCH*], irrespective of the validity and the legal effect of the above mentioned contract and waiving all rights of objection and defense arising therefrom, hereby irrevocably affirm we are the Guarantor and responsible to you, and on behalf of the Contractor undertake to pay you, upon your first written demand and without cavil or argument any sum or sums within the limits of [*INSERT AMOUNT OF GUARANTEE IN FIGURES AND IN WORDS*] as aforesaid without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

We hereby waive the necessity of your demanding the said debt from the Contractor before presenting us with the demand.

We further agree that no change or addition to or other modification of the terms of the Contract or of the Works to be performed thereunder or of any of the Contract Documents which may be made between you and the Contractor 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 be valid until the date of issue of the Taking-Over Certificate

This guarantee is revocable only with the written consent of the UNDP.

Parties hereby agree on the terms of this bank's guarantee letter.

SIGNATURE AND SEAL: _____
Name of Bank/ Financial

Institution: _____
Adresse: _____
Sate: _____