

WORLD BANK GROUP
GENERAL CONDITIONS OF CONTRACT FOR OPERATIONAL CONSULTING SERVICES (03/2008)

1. General Provisions

1.1 Definitions

Unless the context otherwise requires, the following terms used in this Contract have the following meanings:

- (a) "Client" means the purchaser who is the member(s) of the World Bank Group as specified in the SC (International Bank for Reconstruction and Development, International Development Association, Multilateral Investment Guarantee Agency, International Finance Corporation or International Center for the Settlement of Investment Disputes);
- (b) "Consultants" means the company, consulting firm, university, organization, or other such entity retained by the Client to perform the Services under this Contract;
- (c) "Contract" means the Contract signed by the Parties incorporating the GC and the SC, together with any attachments listed in the SC;
- (d) "Contract Currency" means U.S. Dollar or any other currency of a Client member country as may be specified in the SC;
- (e) "Contract Price" means the price to be paid for the performance of the Services, as specified in the SC;
- (f) "GC" means these General Conditions of Contract for Operational Consulting Services;
- (g) "Effective Date" means the date on which this Contract is executed by both Parties;
- (h) "Joint Venture Partner," in case the Consultants consist of a joint venture of more than one entity, means any of these entities; "Joint Venture Partners" means all these entities; and "Partner in Charge" means the entity specified in the SC as authorized to act on their behalf in exercising rights, incurring liabilities and receiving instructions for and on behalf of any and all the Joint Venture Partners under this Contract, including receiving and distributing all payments;
- (i) "Party" means the Client or the Consultants, as the case may be, and "Parties" means both of them;
- (j) "Personnel" means persons hired by the Consultants or by any Subconsultant as employees and assigned to the performance of the Services or any part thereof;
- (k) "SC" means the Special Conditions of Contract;
- (l) "Services" means the work to be performed by the Consultants pursuant to this Contract, as described in Appendix A;
- (m) "Subconsultant" means any entity to which the Consultants subcontract any part of the Services.

1.2 Relation between the Parties

Nothing contained herein shall be construed as establishing a relation of master and servant or of principal and agent as between the Client and the Consultants. The Consultants, subject to this Contract, have complete charge of Personnel and Subconsultants, if any, performing the Services and shall be fully responsible for the Services performed by them or on their behalf.

1.3 Law Governing the Contract

Unless otherwise specified in the SC, the Contract, its meaning and interpretation, and the relation between the Parties, shall be governed by the laws of the District of Columbia.

1.4 Language

This Contract has been executed in the English language, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract.

1.5 Priority of Contract Documents

The documents forming this Contract are to be taken as mutually explanatory of one another, but in the event of inconsistency, and unless otherwise provided herein, this Contract shall be interpreted in accordance with the following order of precedence:

- (i) the Special Conditions of Contract
- (ii) the General Conditions of Contract
- (iii) Appendix A: Description of the Services
- (iv) Any other Appendices listed in the SC, which shall be listed in their order of precedence.

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1.6 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 or when sent by registered or certified mail, telex, telegram, or facsimile to:

Client: 1818 H Street N.W, MSN I 3-307, Washington, DC, 20433, USA

Attention: Chief, Corporate Procurement

Facsimile: (1) 202-522-2088

With a copy to the Client's Authorized Representative named in the SC.

Consultants: As stated in the SC.

1.7 Locations

The Services shall be performed at the locations specified in Appendix A and, where the location of a particular task is not specified, at any other locations that the Client may approve.

1.8 Authorized Representatives

1.8.1 Authorized Representative of the Client

The Client designates the Authorized Representative specified in the SC as its Task Manager to be responsible for the coordination of all activities between the Client and the Consultants under this Contract. All notices, information and other communications given by the Consultants to the Client under this Contract shall be given to the Client's Task Manager, and any action required or permitted to be taken, and any document required or permitted to be executed, under this Contract by the Client shall be taken or executed by the Client's Task Manager, except as otherwise provided in Clause 1.6 and 2.5.

1.8.2 Authorized Representative of the Consultants

The Consultants designate the Authorized Representative specified in the SC to be responsible for the coordination of all activities between the Client and the Consultants under this Contract. All notices, instructions, information and other communications given by the Client to the Consultants under this Contract shall be given to the Consultants' Authorized Representative, and any action required or permitted to be taken, and any document required or permitted to be executed, under this Contract by the Consultants shall be taken or executed by the Consultants' Authorized Representative.

1.9 Taxes

The Consultants, any Subconsultants and all Personnel shall pay all taxes, duties, fees, and other impositions that may be levied in conjunction with the performance of the Services, the amount of which is deemed to have been included in the Contract Price.

1.10 Consequential Damages

Neither Party shall be liable to the other for the payment of any consequential damages, except in the case of gross negligence or willful misconduct on the part of that Party (or in the case of the Consultants, on the part of any Subconsultants or the Personnel of either).

1.11 Preservation of Client's Immunities

Nothing herein shall constitute or be considered to be a limitation upon or a waiver of the privileges and immunities of the Client and other members of the World Bank Group, which are specifically reserved.

2. Commencement, Completion, Modification and Termination of the Contract

2.1 Effectiveness of Contract

This Contract shall become effective on the date that it is signed by both Parties and upon the Client's receipt of the countersigned Contract at the address provided in Clause 1.6, or such later date as may be stated in the SC.

2.2 Commencement of Services

The Consultants shall begin carrying out the Services on the date of Contract effectiveness, or such later date as may be stated in the SC.

2.3 Expiration of Contract

Unless terminated earlier pursuant to Clause 2.7, this Contract shall terminate at the end of such time period specified in the SC.

2.4 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 herein.

2.5 Modifications

Modification of the terms and conditions of this Contract, including any modification of the scope of the Services, schedule, or Contract Price, may only be made by written modification of this Contract as agreed to between the Parties, and shall not be effective until the written consent of the Client's Chief of Corporate Procurement has been obtained. The Client shall promptly inform the Consultants in writing once such consent has been obtained.

2.6 Force Majeure

2.6.1 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 reasonably to be considered impossible under the circumstances, and 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 Subconsultants 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 hereunder.
- (c) Force Majeure shall not include insufficiency of funds or failure to make any payment required hereunder.

2.6.2 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.

2.6.3 Measures to Be Taken

A Party affected by an event of Force Majeure shall:

- (a) take all reasonable measures to remove such Party's inability to fulfill its obligations hereunder with a minimum of delay;
- (b) notify the other Party of such event as soon as possible, and in any event not later than seven (7) days following the occurrence of such event, providing evidence of the nature and cause of such event, and shall similarly give notice of the restoration of normal conditions as soon as possible; and
- (c) take all reasonable measures to minimize the consequences of any event of Force Majeure.

2.6.4 Extension of Time

Any period within which a Party is obligated, pursuant to this Contract, to 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.

2.6.5 Payments

During the period of its inability to perform the Services as a result of an event of Force Majeure, provided the Consultants fulfill their obligations under this Clause 2.6, 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 the Consultants during such period for the purposes of the Services and in reactivating the Services after the end of such period, provided such additional costs have been authorized in advance by the Client in accordance with Clause 2.5 above.

2.6.6 Consultation

Not later than thirty (30) days after the Consultants, as the result of an event of Force Majeure, have become unable to perform a material portion of the Services, the Parties shall consult with each other with a view to agreeing on appropriate measures to be taken in the circumstances, which may include termination in accordance with Clause 2.7.1(c) below.

2.7 Termination

2.7.1 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 Clause 2.7.1, immediately upon notice in the case of (e), and sixty (60) days in the case of the event referred to in (f):

- (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 thirty (30) days;
- (d) if the Consultants, in the judgment of the Client, have engaged in corrupt, fraudulent, collusive or coercive practices in competing for or in executing the Contract. For purposes of this Clause: (i) "corrupt practice" means the offering, giving, receiving, or soliciting of, directly or indirectly, anything of value to influence the action of a Client staff member in the selection process or in contract execution; (ii) "fraudulent practice" means a misrepresentation or omission of facts in order to influence a selection process or the execution of a contract; "collusive practices" means a scheme or arrangement between two or more consultants, with or without the knowledge of the Client, designed to establish prices at artificial, non-competitive levels; and "coercive practices" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in a procurement process, or affect the execution of a contract; or
- (e) if Consultants are identified on any terrorist sanctions list monitored by the Client, including but not limited to the United Nations 1267 sanctions list, the United States Executive Order 13224 sanctions list and the United Kingdom terrorist sanctions list; or
- (f) if the Client, in its sole discretion, decides to terminate this Contract.

2.7.2 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 Clause 2.7.2:

- (a) if the Client fails to pay any monies due to the Consultants pursuant to this Contract and not subject to dispute pursuant to 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 thirty (30) days.

2.7.3 Cessation of Right and Obligations

Upon termination of this Contract hereof, or upon expiration of this Contract pursuant to all rights and obligations of the parties hereunder shall cease, except (i) such rights and obligations as may have accrued on the date of termination or expiration, (ii) the obligation of confidentiality hereof, (iii) the Consultants' obligation to permit inspection, copying and auditing of their accounts and records, and (iv) any right that a Party may have under the governing law.

2.7.4 Payment upon Termination

Upon termination of this Contract pursuant to Clauses 2.7.1 or 2.7.2, the Client shall pay to the Consultants:

- (a) remuneration pursuant to Clause 5 for Services satisfactorily performed prior to the effective date of termination;
- (b) except in the case of termination pursuant to paragraphs (a), (b) (d) and (e) of Clause 2.7.1, 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, if applicable, their eligible dependents, provided that the Consultants have received authorization for such cost as required by Clause 2.5 above, but in no event shall payments to the Consultants exceed the Contract Price as stated in Clause 5.2.

3. Obligations of the Consultants

3.1 General

The Consultants shall perform the Services and carry out their obligations with all due diligence and in accordance with generally accepted professional practices and the prevailing standards of the profession. In respect of any matter relating to the Services, the Consultants shall always act, in respect of any matter relating to this Contract or to the Services, as faithful adviser to the Client, and shall at all times support and safeguard the Client's legitimate interests in any dealings with third parties.

3.2 Conflict of Interest

3.2.1 Consultants Not to Benefit from Commissions, Discounts, etc.

The remuneration of the Consultants pursuant to Clause 5 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 any Subconsultants, as well as the Personnel and agents of the Consultants and any Subconsultants, similarly shall not receive any such additional remuneration.

3.2.2 Officials Not to Benefit

The Consultants warrant that no official of the Client or its Member Governments has received or will be offered by the Consultants any direct or indirect benefit arising from this Contract, the Services, or the award thereof. The Consultants agree that breach of this provision is cause for termination of this Contract.

3.2.3 Consultants Not to Engage in Certain Activities

The Consultants agree that the Consultants and any entity affiliated with the Consultants, as well as any Subconsultants and any entity affiliated with such Subconsultants,

- (a) shall be disqualified from subsequently providing goods, works or services (other than consulting services) related to the Services;
- (b) for the duration of this Contract and for a period of three (3) years after its termination, shall not provide any consulting services related to the Services unless the Consultants obtain the prior consent of the Client, which consent shall not be unduly withheld unless, in the opinion of the Client, there is a conflict of interest;
- (c) for a period of three (3) years after the termination of this Contract, Consultants who advise the Client on the privatization of state-owned enterprises or other assets (or on related problems), shall not engage, and shall cause its Personnel not to engage, in the activity of a purchaser (directly or indirectly) of the assets on which they advised the Client under this Contract, nor shall they engage in the activity of an adviser (directly or indirectly) of potential purchasers of such assets;
- (d) shall not engage in any such other activity as may be specified in the SC.

3.2.4 Former World Bank Group Staff and Relatives of Current World Bank Group Staff as Personnel; Dealings with Outside Parties

- (a) The Consultants shall immediately notify the Client of any Personnel (including Subconsultant's Personnel) intended to be assigned to provide the Services under this Contract who is a former World Bank Group staff member and shall warrant that said former World Bank Group staff member is not subject to any work restrictions by virtue of such former employment with the World Bank Group. For purposes of this clause, World Bank Group staff members are defined as current and retired World Bank Group employees, and individuals that have worked for the World Bank Group with at least one of the following types of appointments: Short Term Consultant (STC), Short Term Temporary (STT), Extended Term Consultant (ETC), Extended Term Temporary (ETT) or Junior Professional Associate (JPA).
- (b) The Consultants shall use their best efforts not to assign any Personnel (including Subconsultant's Personnel) to this Contract who are relatives of current World Bank Group staff. For purposes of this clause, relative is defined as (including those related by adoption and/or step or half relationships): Mother, Father, Sister, Brother, Son, Daughter, Aunt, Uncle, Niece and Nephew. In the event that Client or Consultants discover that any Personnel is a close relative of a current World Bank Group staff member, Consultants shall promptly replace said Personnel at no additional cost to Client, with an individual having equivalent skills. Consultants shall also reimburse Client for any actual direct costs incurred by the Client resulting from the violation of this Article.
- (c) With respect to an "outside party," defined to mean an individual or firm (i) with which the World Bank Group is engaged in a formal dispute (i.e., the outside Party is suing or has been sued by the World Bank Group), (ii) who is being investigated by the World Bank Group for fraud or corruption, or is ineligible to be awarded a World Bank Group-financed contract because of fraud or corruption, or (iii) whose complaint against a procurement decision is under review by the World Bank Group, the Consultants:
 - (A) hereby confirm that, at the time of signing this Contract, they are not knowingly advising an outside party;
 - (B) shall not knowingly, for the duration of this Contract and for a period of three (3) years after its termination, advise an outside party without the Client's prior consent; and

(C) shall immediately notify the Client if a client of the Consultants becomes an outside party before this Contract has been terminated, and shall then, if the Client so requests, either terminate the contract with the outside party or, at the option of the Consultants, terminate this Contract with the Client.

3.3 Confidentiality

- (a) The Consultants, any Subconsultant, and the Personnel of either of them shall not, either during the term or within three (3) years after the termination or expiration for whatever reason of this Contract, disclose any information about the Client's business or operations or any proprietary or confidential information relating to the assignment, the Services or this Contract without the prior written consent of the Client. Any public representation regarding the Client shall be made by the Client and any requests for information made to the Consultants or its Subconsultants or the Personnel of either of them by the news media, or others, shall be referred to the Client. In addition, the Consultants or the Subconsultants shall not reference the Client nor the work performed for the Client without the prior written consent of the Client, except that the Consultants may use the Client's name, but without the Client's logo and without discussion of the work performed by the Consultants for the Client, among its references and in its customer lists and resumes.
- (b) The obligation of the Consultants and its Subconsultants to obtain the Client's written approval before disclosing any information about the Client's business or operations or relating to the assignment, the Services or this Contract, shall not apply to any information that was in the Consultants' possession prior to commencement of work under this Contract, or which is or shall become available to the general public in a printed publication, but not one published by the Consultants, and provided further that this obligation shall in no way limit the Consultants' internal use of such information in performing the Services under this Contract.

3.4 Insurance to Be Taken Out by the Consultants

The Consultants shall take out and, during the period of effectiveness of this Contract, maintain, and shall require any Subconsultant to take out and maintain, each at their own cost, appropriate insurance coverage, which coverage shall include such insurance as may be required by the law of the country of incorporation of the Consultants or Subconsultant, and, in addition, the following minimum coverages (or such coverage as indicated in the SC):

(a) Consultants and Subconsultants providing Services in the United States and all Consultants and Subconsultants incorporated in the United States

- (i) Worker's Compensation as required by law;
- (ii) Employer's liability insurance in the amount of \$500,000 per occurrence;
- (iii) Commercial General Liability insurance in the amount of \$5,000,000 per occurrence;
- (iv) Professional Liability insurance in the amount of \$1,000,000; and
- (v) with respect to automobiles operated in the performance of the Services, \$1,000,000 combined single limit per occurrence.

(b) All other Consultants and Subconsultants

- (i) Consultants and Subconsultants incorporated outside of the United States and providing Services outside of the United States are required to have insurance coverage reflective of local market conditions for their country of incorporation and not less than the minimum insurances listed in the World Bank's Individual Country Requirements – Vendor Insurance as published on the World Bank website at www.worldbank.org/corporateprocurement.

Consultants shall provide the Client with certificates of insurance for coverages referencing the Contract by number, and shall provide for a thirty (30) day cancellation notice from the insurer(s) on all coverages with a copy of such cancellation notice to be sent directly to the Client by the insurer(s). The Consultants shall promptly provide the Client with new certificates of insurance in the event of renewal of or material changes in each insurance policy. Client shall be named as an additional insured under the Commercial General and Automobile Liability policies.

3.5 Consultants' Actions Requiring Client's Prior Approval

In addition to the action requiring prior approval under Clause 2.5, the Consultants shall obtain the Client's prior approval in writing before taking any of the following actions:

- (a) entering into a subcontract for the performance of any part of the Services;
- (b) appointing such members of the Personnel not listed in the SC; and
- (c) any other action that may be specified in the SC.

3.6 Reporting Obligations

The Consultants shall submit to the Client the reports and documents specified in Appendix A, 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

- (a) All the reports, documents and software submitted to the Client, and all relevant data and supporting materials compiled in performing the Services, shall be the property of the Client. Such documents shall be sorted and indexed by the Consultants prior to transmittal to the Client. The Consultants shall be permitted to retain one copy of such documents and software. Exceptions from or restrictions about the future use of these documents, if any, shall be specified in the SC.
- (b) The Consultants shall not use these documents for purposes unrelated to this Contract without the prior written approval of the Client.

3.8 Accounting, Inspection and Auditing

The Consultants shall, until five years from the expiration or termination of this Contract: (i) keep and maintain accurate and systematic accounts and records in respect of the Services hereunder, in accordance with internationally accepted accounting principles and in such form and detail as will clearly identify all relevant charges and costs, and the bases thereof; and (ii) permit the Client or its designated representative periodically to inspect the same and make copies as well as to have them audited by auditors appointed by the Client.

3.9 Information to Be Provided by the Consultants

The Consultants shall furnish to the Client in a timely manner such information related to the Services as the Client may from time to time request.

3.10 Equipment Purchased for the Services (if applicable under the Services)

- (a) Equipment purchased for the Services and paid for out of funds disbursed by the Client to the Consultants pursuant to the provisions of this Contract shall be deemed to be the property of the Client, unless otherwise specified in the SC. Upon completion of the Services, the Consultants shall transfer such equipment to the Client in accordance with the instructions of the Client.
- (b) Upon the completion, termination or suspension of the Services, the Consultants shall furnish to the Client information in the form of inventories certified by the Consultants, in respect of the equipment referred to in paragraph (a) of this Section.

3.11 Restrictions on the Nationality of Subconsultants (in the case of Contracts financed by the Consultant Trust Fund (CTF) Program¹)

- (a) The Consultants may, subject to the Client's written approval, subcontract an aggregate amount up to twenty-five (25) percent of the amount of the Contract to Subconsultants who are not citizens of the Donor country (in the case of individual subconsultants) or either are not incorporated or registered in or do not have their principal office in the Donor country (in the case of Subconsultants that are firms or other entities).

¹ Questions regarding the source of funds for this Contract should be directed to the Client's Task Manager

- (b) There are no limitations on the nationality of the Personnel of the Consultants, nor does the limitation in (a) of this Clause apply in the case of subcontracting by the Consultants to individuals that are citizens of the Donor country or to firms or entities that are incorporated or registered in or have their principal office in the Donor country (in the case of Subconsultants that are firms or other entities).
- (c) Approval by the Client of any subcontract or any Subconsultant under Clause 3.5 or Clause 4.1 of this Contract shall not serve to relieve the Consultants of the obligation of this Clause 3.11.

4. Consultants' Personnel

4.1 Description of Personnel

The Consultants' Key Personnel and Subconsultants who will provide the Services are listed by name and/or title in the SC.

4.2 Notice of Personnel's Arrival

The Consultants shall inform the Client as far in advance as possible of the respective dates of arrival of senior Personnel in the territory where the Services are to be carried out.

4.3 Approval of Personnel

The Key Personnel and Subconsultants listed by name and/or title in the SC are hereby approved by the Client. In respect of other Key Personnel the Consultants may propose to use in carrying out the Services, the Consultants shall submit a copy of their biographical data for the Client's review and approval.

4.4 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 (i) finds that any of the Personnel have 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 therefore, 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. Payments to the Consultants

5.1 Remuneration

5.1.1 For Services rendered pursuant to Appendix A, the Client shall pay the Consultants an amount not to exceed the Contract Price. This amount has been established based on the understanding that it includes all of the Consultants' costs and profits as well as any tax obligation that may be imposed on the Consultants. The specific type of remuneration is stated in the SC and the applicable remuneration terms will apply:

- (a) **Lump Sum Remuneration** – The Consultants' total remuneration shall be a fixed lump sum including all staff costs, Subconsultants' costs, printing, communications, travel, accommodation, and the like, and all other costs incurred by the Consultants in carrying out the Services described in Appendix A. Payments will be made to the account of the Consultants listed on their invoice and according to the payment schedule stated in the SC.
- (b) **Lump Sum Fee Plus Reimbursable Expenses** – The Consultants' total remuneration shall not exceed the Contract Price and shall be a fixed lump sum fee including all staff costs and Subconsultants' costs, plus reimbursable expenditures actually and reasonably incurred in line with the provisions of 5.1.1(d) by the Consultants in the performance of the Services, as specified in the SC.

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- (c) **Time-Based** – Remuneration for the Consultants’ Personnel shall be determined on the basis of the time actually spent by such Personnel in performing the Services after the date determined in accordance with Clause 2.2 (or such other date as the Parties shall agree in writing including time for necessary travel via the most direct route), at the rate(s) per man/month, day, or hour as stated in the SC and in accordance with the rates agreed and specified in the SC. In addition, the Consultants shall be paid for reimbursable expenditures actually and reasonably incurred by the Consultants in the performance of the Services, as specified in the SC, and in line with the provisions of 5.1.1(d).
- (d) **Reimbursable Expenditures** - For any reimbursable expenditures applicable under 5.1.1 (b) or (c) these shall consist of and be limited to normal and customary expenditures for official travel approved in advance by the Client’s Authorized Representative in accordance with World Bank Group travel policy, accommodation, printing, and telephone charges; and any such other expenses as approved in advance by the Client. Such expenditures will be reimbursed at cost without markup. Payments will be made to the account of the Consultants listed on their invoice and shall not exceed the maximum Contract Price specified in the SC.

5.1.2 The Contract Price may only be increased above the price stated in Clause 5.2 if the Parties have agreed to additional payments in accordance with Clause 2.5.

5.2 Contract Price

The Contract Price payable in the Contract Currency is set forth in the SC.

5.3 Terms and Conditions of Payment

- (a) Payments to the Consultants shall be made according to the payment terms in the SC, after the Consultants have submitted an invoice to the Client specifying the amount due, in accordance with the SC.
- (b) A payment schedule containing an advance payment in excess of ten (10) percent of the Contract Price is subject to the prior approval of the Client’s Chief, Corporate Procurement, and such advance payment shall be made against submission of a guarantee for the same amount, in a form and issued by a bank acceptable to the Client. The terms for the release of the bank guarantee will be specified in the SC.
- (c) The Consultants shall submit invoices to the Client’s Accounts Payable Section, MSN MC5-513, The World Bank, 1818 H Street, NW, Washington, DC 20433. Invoices shall contain the Contract number, the Consultants’ Vendor number, and the Client’s Authorized Representative’s name.
- (d) Payment shall be made within 30 days of receipt of the invoice and the relevant documents specified in clause 5.3, and within 60 days in the case of the final payment.
- (e) In the case of a Contract under Clause 5.1.1(c), the Consultants’ Personnel providing Services under this Contract, during the course of their work (including field work) under this Contract, may be required to complete time sheets or other such documents used to identify time spent, as well as expenses incurred, as instructed by the Client’s Authorized Representative.
- (f) In the case of a Contract requiring the payment of reimbursable expenses (Clause 5.1.1(d)), the Consultants will be required to submit receipts or other documentation as instructed by the Client’s Authorized Representative, to substantiate the claim for reimbursable expenses.
- (g) Consultants and all Subconsultants shall use reasonable efforts to ensure that funds paid to Consultants and Subconsultants by the Client are not used to finance, support or conduct terrorism.

5.4 Expenditures in Other Currencies

Whenever it shall be necessary for the purposes of this Contract to evaluate one currency in terms of another, the conversion shall be made at the rate legally applicable at the time and place of, and to the currency utilized in, the underlying expenditure or transaction.

5.5 Final Accounting of Contract Costs

Upon completion of the Services, the Consultants shall promptly provide to the Client a summary of all payments received from the Client under this Contract and, in case payments for additional services were agreed upon between the parties pursuant to Clause 2.5, a final accounting of all cost for such additional services, in such detail as the Client shall request.

6. Fairness and Good Faith

6.1 Good Faith

The Parties undertake to act in good faith with respect to each other's rights under this Contract and to adopt all reasonable measures to ensure the realization of the objectives of this Contract.

6.2 Operation of the Contract

The Parties recognize that it is impractical in this Contract to provide for every contingency that may arise during the life of the Contract, and the Parties hereby agree that it is their intention that this Contract shall operate fairly as between them, and without detriment to the interest of either of them, and that, if during the term of this Contract either Party believes that this Contract is operating unfairly, the Parties shall use their best efforts to agree on such action as may be necessary to remove the cause or causes of such unfairness, but no failure to agree on any action pursuant to this Clause shall give rise to a dispute subject to arbitration in accordance with Clause 7 hereof.

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

(a) **For Services Provided in the United States:** Any dispute or difference arising out of, or in connection with this Contract or the breach thereof which cannot be amicably settled between the Parties through Alternative Dispute Resolution (ADR) procedures, if any, as may be agreed to by the Parties, shall be arbitrated in Washington, D.C. under the Rules of Commercial Arbitration of the American Arbitration Association by one arbitrator appointed in accordance with these Rules. Any resulting arbitral decision shall be final and binding on both parties. Judgment upon any arbitration award may be entered in any court having jurisdiction thereof. Such judgment shall be in lieu of any other remedy. In resolving a dispute hereunder, the parties agree that the Contract will be interpreted in accordance with the substantive laws of the District of Columbia. Pending final resolution of any claim, dispute or action arising under or related to this Contract, Consultants shall, if requested by the Client, proceed diligently with the performance of this Contract.

(b) **For Services Provided outside of the United States:** Any dispute or difference arising out of, or in connection with this Contract or the breach thereof which cannot be amicably settled between the Parties through Alternative Dispute Resolution (ADR) procedures, if any, as may be agreed to by the Parties, shall be arbitrated in accordance with the UNCITRAL Arbitration Rules as at present in force. The arbitration shall take place in New York. Any resulting arbitral decision shall be final and binding on both parties. Judgment upon any arbitration award may be entered in any court having jurisdiction thereof. Such judgment shall be in lieu of any other remedy. In resolving a dispute hereunder, the parties agree that the Contract will be interpreted in accordance with the substantive laws of New York. Pending final resolution of any claim, dispute or action arising under or related to this Contract, Contractor shall, if requested by the Client, proceed diligently with the performance of this Contract.