



## ANNEX 6: GENERAL CONDITIONS OF CONTRACT.

### ARTICLE 1. TERMS & CONDITIONS ON PURCHASING

**1.1. Acceptance:** No purchase order shall become effective and no contract shall exist until the LRC has received from the Supplier their written acceptance of the conditions, which govern the PO or contract. This can be accomplished by return of the signed Letter of Authorization and Acknowledgment Form attached.

**1.2. Tax Exemption:** The Supplier's price shall reflect any tax exemption to which the LRC is entitled by reason of any immunities which it enjoys. If it is subsequently determined that any taxes which have been included in the price are not required to be paid, the LRC shall deduct the amount from the contract price or, if it has paid any such taxes, it shall be refunded.

**1.3. Discount:** Time in connection with any discounts offered will be computed from the date of receipt by the LRC of full documentation as specified by the Purchase Order, contract or Annex thereto.

**1.4. Warranty:** The Supplier warrants the goods or services furnished under this Purchase Order / Contract to be fit for their intended use, free from defects in workmanship or materials, and indemnifies the LRC against any claims resulting there from. This warranty is without prejudice to any further guarantees that the Supplier provides to the Purchaser; such guarantees shall apply to the subject goods of this Purchase Order / Contract.

**1.5. Inspection:** The duly accredited representatives of the LRC shall have the right to inspect the goods or services called for under this Purchase Order / Contract at the Supplier's stores, during manufacture, in the ports or at places of shipment, and the Supplier shall cooperate and provide all facilities for such an inspection. The LRC may issue a written waiver of inspection at its discretion. Any inspection carried out by representatives of the LRC or any waiver thereof shall not prejudice the implementation of any other relevant provisions of this Purchase Order / Contract concerning obligations subscribed by the Supplier, such as warranty or specifications.

**1.6. Packing:** The Supplier shall pack all goods appropriately and with every care in accordance with normal commercial standards of export packing for the type of goods specified herein. Such packing materials used must be adequate to safeguard the goods while in transit. The supplier shall be responsible for any damage or loss which can be shown to have resulted from faulty or inadequate packing.

**1.7. Export License:** The Purchase Order / Contract is subject to the obtaining of any export license or other governmental authorization which may be required. It shall be the responsibility of the Supplier to inform the LRC beforehand of such restrictions and obtain such license or authorization, but the LRC will use its best endeavours to assist. In the event of refusal thereof, the Purchase Order / Contract will be annulled and all claims between the parties automatically waived.

**1.8. Force Majeure:** Force majeure, as used herein, shall mean acts of God (involuntary and unexpected acts), laws or regulations, industrial disturbances, acts of war, explosions and any other similar cause of equivalent force not caused by, nor within the control of either party, and which neither party is able to overcome. As soon as possible after the occurrence of the force majeure and within not more than 15 days, the supplier shall give notice and full particulars in writing to the LRC of such force majeure if the Supplier is thereby rendered unable, wholly or in part, to perform his obligations and meet his responsibilities under this Purchase Order / Contract. The LRC shall then have the right to terminate the Purchase Order / Contract by giving in writing seven days' notice of termination to the Supplier, and the Supplier shall return any deposit paid by the LRC.

**1.9. Default:** In case of default by the Supplier, including but not limited to failure or refusal to make deliveries within the time limit specified, the LRC may procure the goods or services from other sources and hold the Supplier responsible for any excess costs occasioned thereby. Furthermore, the LRC may by written notice terminate the right of the Supplier to proceed with the deliveries, or such parts thereof as to which there has been default.

**1.10. Conformity with Specifications:** In the case of goods purchased on the basis of specifications the supplier warrants their conformity. The LRC shall have the right to reject the goods or any part thereof if they do not conform to specifications. Any supplies not found to be in accordance with the specification and requirements will not be accepted and in that eventuality the supplier shall replace the goods and bear the inspection cost and/or other losses caused to LRC, if any, by replacement of the items non-conforming to the requirements/specification.

**1.11. Liquidated Damages:** Arrival of goods/ completion of services after agreed delivery schedule will be subject to deduction of damages



**1.12. Disputes-Arbitration:** Any claim or controversy arising out of this Purchase Order / Contract, or to the breach, termination or invalidity thereof the parties agree to attempt to settle it amicably via direct negotiations between the two sides within seven days. In case of any dispute that cannot be settled in such way, the Lebanese law shall be applicable and the Lebanese courts will settle any litigation in this regards that was not solved amicably

**1.13. Privileges and Immunities:** Nothing contained in this Purchase Order / Contract shall be deemed a waiver, express or implied, of any privilege or immunity which the LRC may enjoy, whether pursuant to existing conventions or agreements.

**1.14. Assignment:** The Supplier shall not assign, transfer, pledge or make other disposition of this Purchase Order / Contract or any part thereof or of any of the Supplier's rights, claims or obligations under this Purchase Order / Contract except with the prior written consent of the LRC.

**1.15. Bankruptcy:** Should the Supplier file any petition for bankruptcy, or should the supplier make a general assignment for the benefit of its creditors, or should a receiver be appointed on account of the Supplier's insolvency, the LRC may under the terms of this Purchase Order / Contract, terminate the same forthwith by giving the Supplier written notice of such termination.

**1.16. Advertising:** Unless authorized in advance in writing by the LRC, the Supplier shall not advertise or otherwise make public the fact that he is a Supplier to the LRC and / or any National Red Cross or Red Crescent Society, or use the name, emblem or official seal of the LRC and / or any National Red Cross or Red Crescent Society, or any abbreviation of the name of the LRC and / or any National Red Cross or Red Crescent Society for advertising purposes or any other purposes.

**1.17. Officials Not to Benefit:** The supplier represents and warrants that no official of the LRC has been, or shall be, admitted by the supplier to any direct or indirect benefit arising from this contract or the award thereof. The supplier agrees that breach of this provision isa breach of an essential term of this contract.

**1.18. Amendments:** No changes or modifications to this Purchase Order / Contract shall be valid unless mutually agreed between both parties and confirmed by an official amendment.

**1.19. Notice:** Service of any notice shall be deemed to be good if sent by registered mail, or email to the addresses of both parties, set out in the heading of this Purchase Order / Contract.

**1.20. Jurisdiction:** This Contract is considered to be concluded as defined in the attached Addendum.

**ARTICLE 2. LABOUR STANDARDS**

**2.1. Employment is freely chosen:** There is no forced, bonded or involuntary prison labour. Workers are not required to lodge `deposits' or their identity papers with the employer and are free to leave their employer after reasonable notice.

**2.2. Freedom of association and the right to collective bargaining are respected:** Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively. The employer adopts an open attitude towards the legitimate activities of trade unions. Worker's representatives are not discriminated against and have access to carry out their representative functions in the workplace. Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

**2.3. Working conditions are safe and hygienic:** A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment. Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers. Access to clean toilet facilities and potable water and, if appropriate, sanitary facilities for food storage shall be provided. Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers. The company observing the standards shall assign responsibility for health and safety to a senior management representative.

**2.4. Child Labour shall not be used:** There shall be no new recruitment of child labor. Companies shall develop or participate in and contribute to policies and programmes, which provide for the transition of any child found to be performing child labor to enable her/him to attend and remain in quality education until no longer a child. Children and young people under 18 years of age shall not be employed at night or in hazardous conditions. These policies and procedures shall conform to the provisions of the relevant International Labour Organisation (ILO) standards.



**2.5. Living wages are paid:** Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmarks. In any event wages should always be high enough to meet basic needs and to provide some discretionary income. All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment, and about the particulars of their wages for the pay period concerned each time that they are paid. Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the express and informed permission of the worker concerned. All disciplinary measures should be recorded.

**2.6. Working hours are not excessive:** Working hours comply with national laws and benchmark industry standards, whichever affords greater protection. In any event, workers shall not on a regular basis be required to work in excess of the local legal working hours. Overtime shall be voluntary, shall not exceed local legal limits, shall not be demanded on a regular basis and shall always be compensated at a premium rate.

**2.7. No discrimination is practised:** There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

**2.8. Regular employment is provided:** To every extent possible work performed must be on the basis of a recognized employment relationship established through national law and practice. Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed term contracts of employment. Basis of a recognized employment relationship established through national law and practice. Obligations to employees under labor or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labor-only contracting, sub-contracting or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed term contracts of employment.

**2.9. No harsh or inhumane treatment is allowed:** Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

**ARTICLE 3. CORPORATE SOCIAL RESPONSIBILITY & OTHER REQUIREMENTS**

**3.1. Business ethics:** Suppliers are expected to maintain the highest degree of business ethics when working or seeking to work with the LRC.

**3.2. Transparency of information provision:** Suppliers shall not be involved in any fraudulent activities, misrepresent information or facts for the purpose of influencing the selection and contract-awarding process in their favor.

**3.3. Fair competition:** Suppliers shall not be involved in any corrupt, collusive or coercive practices.

**3.4. Conflict of interest:** The supplier shall represent and warrants that no official/ representative/ staff member of the LRC has been, or shall be, admitted by the supplier to any direct or indirect benefit arising from the award of the contract.

**3.5. Adherence to IFRC principles:** When performing on behalf of or at any time representing the LRC, the supplier and all individuals assigned by it to perform works or services, shall act in a manner consistent with the fundamental principles of the International Red Cross and Red Crescent Movement.

**3.6. Misrepresentation:** By participating in the tender, submitting the bid and having being selected as a Supplier, the supplier acknowledges their acceptance of the above stated requirements and shall be held responsible and liable for the consequences of any false or misrepresented information provided

**Article 4. Environmental and carbon reduction policy**

**4.1.** Suppliers should as a minimum comply with all statutory and other legal requirements relating to the environmental impacts of their business. Detailed performance standards are a matter for suppliers, but should address at least the following:



**4.1.1. Waste Management:** Waste is minimized and items recycled whenever this is practicable. Effective controls of waste in respect of ground, air, and water pollution are adopted. In the case of hazardous materials, emergency response plans are in place.

**4.1.2. Packaging and Paper:** Undue and unnecessary use of materials is avoided, and recycled materials used whenever appropriate.

**4.1.3. Conservation:** Processes and activities are monitored and modified as necessary to ensure that conservation of scarce resources, including water, flora and fauna and productive land in certain situations.

**4.1.4. Energy Use:** All production and delivery processes, including the use of heating, Ventilation, lighting, IT systems and transportation, are based on the need to maximize efficient energy use and to minimize harmful emissions.

**4.1.5. Safety precautions for transport and cargo handling:** All transport and cargo handling processes are based on the need to maximize safety precautions and to minimize potential injuries to the environment, beneficiaries and staff as well as the suppliers' employees or those of its subcontractors.

**ARTICLE 5. ETHICAL PROCUREMENT**

**5.1.** Supplier's core business (over 20% turnover) should not:

**5.1.1.** Manufacture or sell arms.

**5.1.2.** Manufacture or sell tobacco

**5.1.3.** Damage the reputation of the Red Cross name and/or emblem

**5.2.4.** Legal requirements: Suppliers should always work within the laws of their country

**ARTICLE 6. PAYMENT.**

**6.1.** Payment will be made upon approval by LRC of a completed milestone/deliverable, and receipt of verified original invoice submitted by Contractor to LRC, within 45 days, and will be new and unused, free from material defects in quality, material, and design under normal use, and free from any right of claim by any third party, including claims of infringement of any intellectual property rights.

**ARTICLE 7. TENDERERS SHALL BE EXCLUDED FROM PARTICIPATION IN A PROCUREMENT PROCEDURE IF:**

**7.1** They are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations. However, tenderers in this situation may be eligible to participate insofar as the Grant Recipient is able to purchase supplies on particularly advantageous terms from either a supplier which is definitively winding up its business activities, or the receivers or liquidators of a bankruptcy, through an arrangement with creditors, or through a similar procedure under national law;

**7.2** They or persons having powers of representation, decision-making or control over them have been convicted of an offence concerning their professional conduct by a final judgment;

**7.3** They have been guilty of grave professional misconduct; proven by any means which the Grant Recipient can justify;

**7.4** They have not fulfilled obligations relating to the payment of social security contributions or taxes in accordance with the legal provisions of the country in which they are established, or with those of the country of the Grant Recipient or those of the country where the contract is to be performed

**7.5** They or persons having powers of representation, decision-making or control over them have been convicted for fraud, corruption, involvement in a criminal organization or money laundering by a final judgment

**7.6** they make use of child labor or forced labor and/or practice discrimination, and/or do not respect the right to freedom of association and the right to organize and engage in collective bargaining pursuant to the core conventions of the International Labor Organization (ILO)