ORGANISATION OF AFRICAN UNITY
Interafrican Bureau for
Animal Resources

EU-European Development Fund



PROVISION OF TECHNICAL ASSISTANCE TO FARMING IN TSETSE CONTROLLED AREAS

REGIONAL COMPONENT

Project no. 7 ACP RPR 578

FINANCIAL PROPOSAL: copy

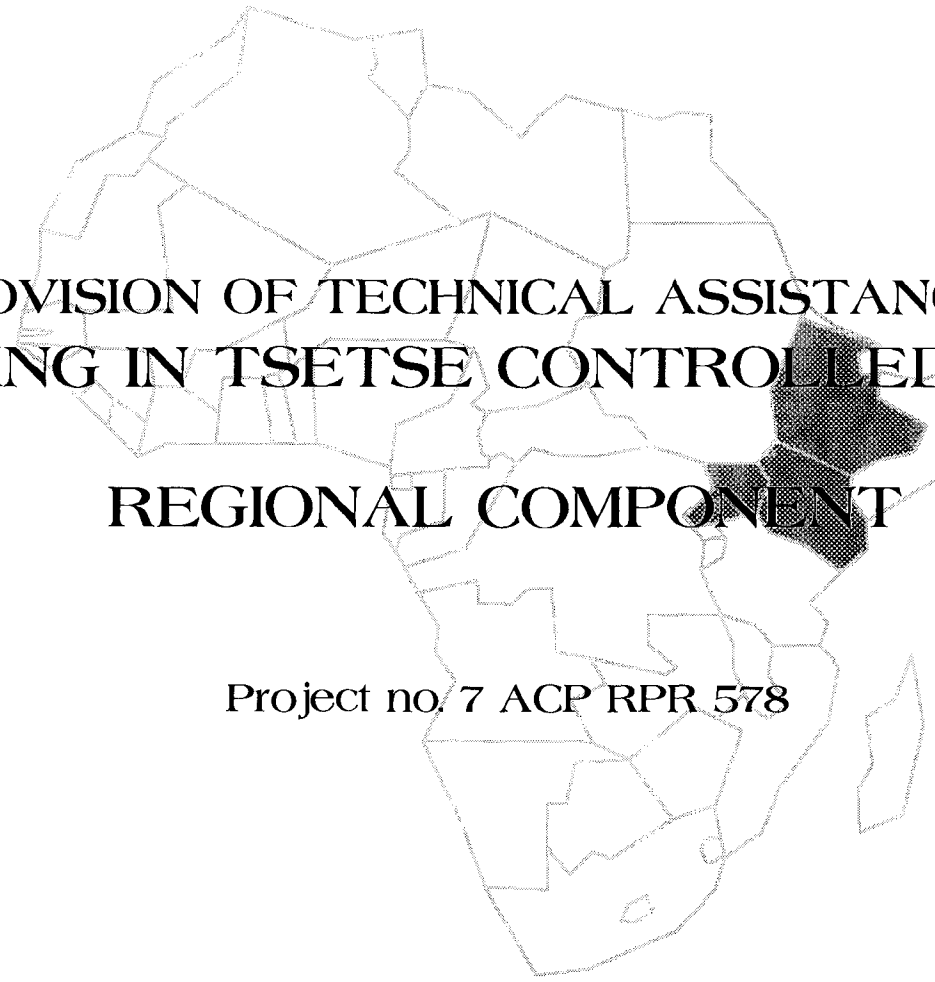
AGROTEC SpA
Rome, Italy

and

MWANIKI ASSOCIATES LIMITED
Nairobi, Kenya
(sub-contractor)

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AGROTEC SpA - *Studi e Progetti in Agricoltura*
Management & Engineering Consultants
Rural Development & Environment

Rome, August 3, 1998
GPL/jb - 871/98

Organisation of African Unity
Interafrican Bureau of Animal Resources
P.O. Box 30786, Nairobi
Maendeleo House, 6th floor
Tel. +254(2)33 45 50 / 33 85 44
Fax +254(2)33 20 46
Kenya

Sirs,

subject: **Financial Proposal for the Provision of Technical Assistance to Farming in Tsetse Controlled Areas - Regional Component**
Project no. 7.ACP.RPR.578

enclosed please find one original and five copies of our Financial Proposal for the subject project. We confirm that our proposal has been prepared in accordance with the terms and conditions of the tender dossier attached to your letter of invitation.

We are presenting our proposal with the company **Mwaniki Associates Ltd, Kenya**, as subcontractor for the provision of the short term local expertise. Agrotec SpA will hold full liability for the contract.

This proposal will remain valid for a period of 3 (three) months starting from September 4th, 1998 which is the closing date for the lodging of tenders.

Yours faithfully,

Gian Piero Latini
Managing Director.

TECHNICAL ASSISTANCE FRAMEWORK CONTRACT

Financed under the 7th European Development Fund

Project Number 7.ACP.RPR.578

Between: the Director of the International Bureau for Animal Resources / Organisation of the African Unity (OAU/IBAR), REGIONAL AUTHORISING OFFICER,

hereinafter referred to as the **"Contracting Authority"**, on the one part,

and: Agrotec SpA

hereinafter referred to as the **"Consultant"**, on the other part.

IT IS HEREBY AGREED AS FOLLOWS:

PREAMBLE

1. The Contracting Authority hereby entrusts to the Consultant, who accepts on the terms set out below, the task of providing technical assistance to Farming in Tsetse Controlled Areas, Regional component.

2. A description of the work to be carried out by the Consultant pursuant to this contract is given in the annexes hereto, and in particular in the terms of reference set out in Annex A of this contract

3. The tax and customs arrangements to which the Consultant and his staff are subject are detailed in Annex G.

The contract price shall be Ksh (in figures and in words) 89,638,609 (eighty nine million six hundred thirty eight thousand six hundred nine)

equivalent to (in ECU or the currency of the country of registered place of business of the Consultant, in accordance with the table in Annex E.) ECU 1,348,460 (one million three hundred forty eight thousand four hundred sixty)

on the basis of the following exchange rate: 1 ECU = 66.4748 Kenya Shillings, in accordance with Annex E (Price Breakdown) and with Art. 14 of the Instruction to Tenderers.

SPECIAL CONDITIONS OF THE CONTRACT

The Special Conditions supplement and/or amend the General Conditions for Service Contracts financed by the European Development Fund (VIII/E/439/90-EN). Unless otherwise provided in these Special Conditions, the General Conditions referred to above remain fully applicable.

Art. 2 Law and language of the contract

(3) The language of the contract and all related communication shall be English.

Art. 3 Order of precedence of contract documents

(1) The order of precedence of contract documents shall be as follows:
- the letter of contract or the contract
- the tender proposal
- the tender dossier

Art. 7 Sub-contracting

Sub-contracting shall be allowed under this contract.
The following subcontracting arrangements are proposed:
(identity of the sub-contractor) and (tasks entrusted to the subcontractor)

MWANIKI ASSOCIATES Ltd Nairobi Kenya
PROVISION OF SHORT-TERM KENYAN EXPERTISE

Approval for any other sub-contract shall be submitted one month in advance to the contracting authority with the identity of the sub-contractor and the tasks to be carried out by him.

Art. 9 Assistance with local regulations

(4) Throughout the duration of the contract, the Consultant shall be provided by the Contracting Authority with furnished office accommodation in Nairobi.

(5) The Contracting Authority will provide the Consultant with the required local counterpart personnel for the implementation of the project on a full-time basis.

Art. 10 General obligations

(2) The Technical Assistance team will report to the Chief Livestock Projects Officer of OAU/IBAR, or in the event of any administrative reorganisation, the appropriate authority as designated by this Authority. Duties and responsibilities to be carried out by each expert are specified in the terms of reference in Annex A.

Art. 14 Indemnification

(1) The Consultant's liability under Article 14.2 (b) shall be confined to the contract price.

Art. 15 Medical and insurance arrangements

(4) The insurance provided in Article 15.4 shall cover the claims provided for in (a), (b), (c) and (d). The amount shall be limited to the contract price.

Art. 17 The scope of the services

(2) The Contract comprises management of the execution of the Project and the provision of personnel in accordance with the terms of reference set out in Annex A. In addition to the long-term and short-term technical assistance services, the Consultant shall provide support to the in the following form: (i) procurement of equipment (small items and limited amount); (ii) Project Management Unit account management for the purpose of administering finances related to the staff and non-staff operating costs of the Unit, (which will be detailed through an annual cost breakdown to be annexed to this contract by means of an Administrative Order signed by OAU/IBAR and EC). Short term consultancies shall be approved by the Contracting Authority and the EC Delegation in Kenya prior to implementation.

The Consultant shall carry out these tasks and act as advisor: the Consultant's head office shall provide assistance for solving any technical, financial or economic problem that may confront its agents in the performance of their duties.

The Consultant shall, on his own initiative or at the Contracting Authority's request, provide the Contracting Authority with all information and explanation concerning performance of the contract or relating directly to it.

This information shall be given either in the reports provided for in the contract or in an appropriate manner in the case of any important fact or decision that, in the opinion of the Consultant should be brought immediately to the attention of the Contracting Authority and/or the project supervisor.

Art. 18 Provision of personnel

(6) Except in the case of sickness, accident or death, the Consultant in addition to bearing the costs arising out of or incidental to the replacement of long term personnel, will assure at his cost the simultaneous presence of the two experts for a period of 1 month, or accept a reduction in the corresponding fees of 25% per month over 4 months.

Art. 19 Staff and equipment

(1) The qualifications and other requirements to be met by consultants are set out in Annex A (Terms of Reference).

(2) The Consultant shall perform this contract with the personnel referred to in his tender (see Annexes C and D). Acceptance of the tender by the Contracting Authority shall constitute

acceptance of the personnel proposed. An independent, external evaluation may be carried out mid way through the project. The findings of the mid point evaluation will be studied with a view to making any changes in the design or the management of the project, to ensure that project achievement indicators continue to be met. At this stage some changes in the tasks and/or responsibilities of the experts deployed in the project could be envisaged.

(4) The personnel supplied by the Consultant shall start work within eight (8) weeks of notification of this contract by the Contracting Authority.

(6) The Consultant shall purchase vehicles, equipment and consumables stated in Annex F, in the name of the Supervisor in accordance with the contract.

Upon completion of the project the above stated vehicles and equipment shall be handed over to the Supervisor.

(7) The Consultant shall be responsible for the arrangements of hotel or other accommodation in Nairobi and in the field.

Art. 21 Commencement orders

(1) The contract shall enter into force on the date of its notification. Performance of the contract shall start on the same date.

Art. 22 Period of performance

(1) The period of performance of the contract is hereby set in principle at forty eight (48) months commencing on notification of the contract.

Art. 24 Delays in performance

(1) The damages per day of delay provided for in Article 24.1 (concerning submission of reports) shall be set at 0.1% of the value of the contract or, up to 15% of the total contract price.

The Consultant will be liable for damages equal to 1/1000th of the estimated fees value of the contract per day in the event of unjustified absence from duty on the part of the team leader.

Art. 28 Leave entitlement

(1) The leave entitlement of the Consultant's long term expatriate agents shall be calculated on the basis of six (6) days leave per month worked.

The leave entitlement of local personnel shall be established in accordance with the law of the country of the Contracting Authority. Leave period shall not be paid to the Consultant.

Art. 29 Information

The Consultant shall furnish the Supervisor with periodic reports to cover various aspects of work carried out as follows:

- Workplan-budgets and cost estimates will have to be presented for approval to the Contracting Authority and the Delegation of the EC in the course of the third month preceding the end of the on-going workplan budget and cost estimate.

- 6 monthly progress reports (including a 6 monthly financial statement) is expected midway through the programme of each year within 1 month after the end of the period.

- Within 2 months after the end of the year covered by the annual Workplan Budget and Cost Estimate, the Consultant will be expected to produce the annual report (replacing the second 6 monthly report of the year) which will consist of an appreciation of all the activities of the previous year, a description of achievements, problems arising, an appreciation of the previous planning and implementation process, together with an audited financial report in annex.

- Before completion of the services the Consultant will draw up a comprehensive final report which will include a full assessment of the programme achievements in relation to targets set and major constraints encountered.

- Each short term mission will also be the object of a specific report.

Art. 31 Submission of reports

Six copies of the draft report referred to in Article 31.1 shall be forwarded to the Supervisor not later than 30 days of completion of the services by the Consultant.

Four copies will be presented to the Delegation of the Commission.

Art. 32 Approval of reports and documents

(2) The Contracting Authority shall take a decision on the reports and documents referred to in Article 32 within 1 month (30 days). If no comment is made within this period, the report/document is deemed approved.

Art. 33 General provisions

(1) The currency of the contract is the Kenya Shilling.

All payments under the contract shall be as follows:

(a) 10.% of the Fees and Direct Costs in Kenya Shillings, viz. KSh 4,797,486

(b) 90.% of the Fees and Direct Costs in ECU or in the currency of the country where the Consultant has his registered place of business, viz. 649,530 ECU

The exchange rate shall be 0.0150432 ECU = 1 KSh (local currency), calculated in accordance with Article 14 of the instructions to tenderers. Payments for reimbursable expenses on the basis of original supporting documents shall be made in ECU or in currency of the country where the Consultant has his registered place of business. Any conversion from other currencies shall be calculated on the basis of the rates published in the Official Journal of the European Commission which were in force on the first working day of the month in which the

expenses were incurred.

In the case of currencies not quoted in the OJ, conversion shall be calculated on the basis of the rates published in the Financial Times on the first Monday of the month in which the expenses were incurred.
Payments shall be made to the following account(s):

(a) For Kenya Shilling payments:

.....

.....

.....

.....

(b) For ECU (the chosen foreign currency) payments:

BANCA NAZIONALE AGRICOLTURA

HEAD OFFICE ROME-V. DEL CORSO 287

ACCOUNT No. 6983 21653/E

ABI 3328 CAB 3200

(3) This is a composite contract based partly on unit prices (professional fees and other fixed costs) and partly on reimbursable items.

Reimbursable expenditures will be paid on production of original supporting documents. The amount for unit prices is fixed at 47,974,863 KSh and reimbursable and lump sum costs are estimated at 41,663,746 KSh The total estimated value of the contract is thus 89,638,609 KSh (see Annex I for details).

(4) The value of the contract will be expressed in KSh.

Art. 34 Advances

(1) Advances may be made to the Consultant at his request. Any advance shall be covered by a bank guarantee made out to the RAO for the same amount expressed in the same currency.

(2) The amount of an advance shall not exceed 20% of the total contract price.

(8) Repayment of the advances referred to in Article 34.1 shall be made by deduction from payments on account or from any balance due to the Consultant. Repayment shall begin when the amount of the sums due under the contract reach 20% of the contract price. Repayment must be completed when the amount reaches 80%.

The amount to be deducted from each interim payment shall be calculated using the following formula:

$$R = \frac{Va}{Vt \times 0.8} \times D$$

where

R = the amount to be repaid

Va = the amount of the advance

Vt = the initial value of the contract
D = the amount of the interim payment

Repayments shall be made in the same currency as that of the advance.

Art. 35 Payment procedure

(4) The amount of the interim payments shall be 90% of the value of the Fees and Direct Costs to which it relates; the remaining 10% thus withheld shall be paid as a final balance.

(5) Payments will be made quarterly in arrears. These payments are in the nature of interim payments and do not relieve the Consultant of his contractual obligation in respect of the period concerned. Fixed costs are not payable during leave periods.

For costs based on reimbursement, payment shall be made on production of original invoices together with all relevant original supporting documentation, including air ticket stubs. Original documentation is essential. Copies shall not be considered. For those reimbursable costs related to the detailed breakdown of costs, payment and disbursement details shall be provided according to an annual Administrative Order. Procurement expenses related to equipment shall also be treated as reimbursables. Procurement shall be carried out by the Consultant, on behalf of the Contracting Authority, on the basis of a minimum of 3 quotations to be evaluated by the Consultant and endorsed by the Contracting Authority. All necessary documents will be kept available for an annual audit to be carried out independently.

(7) Requests for payments of fixed costs and reimbursables over the same period shall be submitted simultaneously. For each interim payment, the Consultant shall forward the following documents:

a) 1 original invoice and 4 copies to the Head of Delegation, Nairobi
b) 1 original invoice and 1 copy to the Contracting Authority
c) the itemised statements of the amounts payable for each period concerning the services rendered by the Consultant
d) the original supporting documents to the Head of Delegation

(10) Payment of the 10% balance will be due annually upon approval of the annual report by the Director of OAU/IBAR.

Art. 36 Travel and Transport

(1) For agents recruited outside the country of performance, tickets for initial departure and final return will be reimbursed. Transport costs for the expert's family (spouse and dependent children) will also be reimbursed where his continued work in Kenya is scheduled to have a duration in excess of 6 months.

It should be noted that only **economy class air tickets direct between his place of residence and Kenya are reimbursed**. If the expatriate travels other than economy and/or by an indirect route, original documentation must be provided to indicate the cost of the direct economy class fares at the time of travel.

In addition, the cost of transporting the expatriate long term experts, their spouses and dependent children from Kenya to their usual place of residence and return, for the purpose of leave, after each year of effective work, will also be met by the Contracting Authority.

(2) For agents recruited outside the country of performance, transport of luggage out at the beginning of contract and back at the termination of contract will be reimbursed. There will be no additional provision for transport of luggage in case of an extension of the contract. The luggage for which transport will be reimbursed includes personal effects and articles necessary for implementation of the contract, within the following limits:

accompanied baggage:	20 kg per person
unaccompanied baggage:	200 kg for the expert + 100kg per family member

(3) The costs pertaining to the transport of documents, equipment, materials and other, shall be deemed to be included in the lump sums or unit prices indicated in the price breakdown and shall not be reimbursed separately.

(4) The reimbursement of travel tickets and accompanied baggage shall only be made against the presentation of original tickets and boarding cards.

Art. 37 Revision of Prices

(1) and (2) Providing it can be justified, a revision of the unit prices may take place at the beginning of year three and will apply to the sums due for services rendered thereafter. No review will be allowed for the sums pertaining to the first two years of contract performance. The formula to be applied for price revision is as follows:

For the local component: $P = Po \times (0{,}20 + 0{,}80\ Z/Zo)$

For the foreign component: $P = Po \times (0{,}20 + 0{,}80\ E/Eo)$

Where:

- P = revised rate
- Po = rate shown in the contract
- Z = cost of living index in Kenya for the thirteenth month following the signature of the contract by the Contracting Authority
- Zo = cost of living index in Kenya for the month preceding the date set for the submission of tenders
- E = cost of living index in the country of the Consultant's registered place of business for the thirteenth month following the signature of the contract by the Contracting Authority
- Eo = cost of living index in the country of the Consultant's registered place of business for the month preceding the date set for the submission of tenders

N.B. E and Eo derive from Eurostat tables and Z and Zo from the official statistics offices of the Republic of Kenya. If the foreign currency is the ECU, E and Eo represent the Eurostat index for the EU.

Art. 38 Delayed payments

(1) The rate of interest referred to in Art. 38.1 of the General Conditions shall be the rediscount rate of the issuing institution of the country of the currency of payment. For payments in ECU, the rate shall be the latest rate as published in the Eurostat publication "ECU SME INFORMATION" under the heading "Operations rates of EMC (Calculation month) and interest rates and yields of ECU investments (%) in the month preceding the one when the payment is made.

Art. 40 Breach of contract

(1) A Consultant who changes the composition of the personnel for reasons other than those provided for in Article 18.4, Article 18.6 and Article 43, shall be considered in breach of contract.

(3) Where there are replacements as referred to in para.1 and without prejudice to the application of articles 40(2)(b)and 18(2), (3), (5) and (6) the contracting authority may claim compensation equivalent to 10% of the total contractual amount to be paid to the agent or agents concerned

Art. 42 Termination by the Consultant

(3) The limit referred to shall be 20% of the value of the contract.

Art. 45 Settlement of disputes

(2) The arrangements referred to in Article 45.2 of the General Conditions are as follows:

a) The procedure to be followed for an amicable settlement of a dispute shall be opened by one party's notifying the other party of the dispute, in writing, and proposing recourse to an amicable settlement, in accordance with arrangements to be agreed and in accordance with this Article and Article 45 of the General Conditions.

b) The deadline for carrying out the amicable settlement shall be no more than 30 days following the parties notification, referred to in sub-paragraph 45.2(a).

The maximum period permissible for coming to an amicable settlement shall be 60 days from the period of notification. The parties may agree, in writing, to extend this period by up to a further 60 days period.

c) The deadline referred to in Article 45.2(c) of the General Conditions, within which there should be a response to requests, shall be 8 days from receipt of the said requests. Where this deadline is not kept, a reminder shall be sent by the party that has made the request. Where there is no response to the reminder within 8 days of its receipt, the attempt for an amicable settlement shall be deemed to have failed.

(3) The parties may agree that the conciliation procedure referred to in Article 45.3 of the General Conditions shall be that provided for in Article 5 of the Procedural Rules on conciliation and arbitration referred to in Article 45.2(b).

Where the European Commission is asked to intervene in an amicable settlement, such request may be made only when all internal means of administrative recourse have been exhausted, in

accordance with Articles 4 and 5.1 of the Procedural Rules on conciliation and arbitration of contracts financed by the EDF, adopted by Decision of the ACP-EEC Council of Ministers, No. 3/90 of 29 March 1990 (OJ L382 of 31.12.90).

Intervention by the European Commission in an amicable settlement may take the form of an intervention by the Commission's Delegation on the spot or by the Commission's services in Brussels, as agreed between the parties concerned and the Commission.

(5) b) The procedural rules referred to in Article 45.5(b)(ii) of the General Conditions shall be taken to mean those provided for in the Procedural Rules on conciliation and arbitration referred to above.

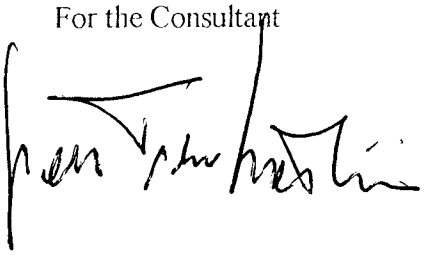
Art. 46 Signatures and addresses

The addresses for notification relating to performance of this contract are:

Consultant	AGROTEC SpA Lungotevere Michelangelo 9 00192 ROME - ITALY TEL: 0039.06.3203925 FAX: 0039.06.3204961 CONTACT PERSON: GIAN PIERO LATINI Managing Director
Supervisor	Regional Tsetse Coordination Unit OAU/IBAR P.O. Box 30786 Nairobi Kenya
Contracting Authority	Regional Authorising Officer of the EDF OAU/IBAR P.O. Box 30786 Nairobi Kenya
Delegation of the European Commission	P.O. Box 45119 Nairobi Kenya
European Commission	Directorate General for Development Rue de la Loi 200 1049 Brussels Belgium

SIGNATURES

For the Consultant



Date 28 August 1998

For the Contracting Authority
REGIONAL AUTHORISING OFFICER

Date .....

Endorsement for financing
Head of the Delegation of the
European Commission in Kenya

Date .....

ANNEX E - PRICE BREAKDOWN
(to be completed by Tenderer)

Exchange rates : (2) 1 ECU (or currency of the Contractor) = 66.4748 KES (national currency)

Budget Item	Unit	Quantity	Unit Rates	Total Amount (KES)
A. Fees				
A.1 TA Programme Co-ordinator [1]	man-months (m-m)	40	694,662	27,786,466
A.3 TA Short term	man-months (m-m)	16	638,158	10,210,529
Subtotal A				**37,996,996**
B. Direct Costs				
B.1. Per diems - short terms consultants	days	480	9,639	4,626,646
B.2. Accommodation - long-term consultant	months	46	116,331	5,351,221
Subtotal B				**9,977,867**
C. Reimbursable				
C.1 Air Tickets				
C.1.1 Long-term TA [2]	provision	18	79,770	1,435,856
C.1.2 Short-term TA	provision	16	93,065	1,489,036
C.2 Long-term TA baggage expenses				
C.2.1 Air - accompanied	20 Kg per expert and per family member	120	1,529	183,470
C.2.2 Air - unaccompanied	200 Kg per expert and 100 Kg per family member provision	800	332	265,899
C.3 Co-ordination Unit - procurement	provision			6,647,480
C.4 Co-ordination Unit- operating and management costs [3]	provison for 46 months	small items and limited amounts		18,347,045
C.5 Workshops and seminars [4]	provision for 4 years			13,294,960
Subtotal C				**41,663,746**
Total Contract (A+B+C)			**KES**	**89,638,609**

[1] Technical Assistance Position

[2] One return ticket per family member per year, appropriate numbers to be entered by Tenderer

[3] 4-year budget to be itemised and broken down by means of an annual Administrative Order to be signed by the Contractor, the Contracting Authority, the NAO, and the EC Delegation after the signing of the TA Contract. Expenditure to include staff (accountant, secretary, driver) and non staff operating c procurement related to office running and publication expenses.

[4] 4-year budget to be itemised and broken down by means of an annual Administrative Order to be signed by the Contractor, the Contracting Auth and the EC Delegation after the signing of the TA contract.

ANNEX F

Further Details of Price Breakdown

B.2. Accommodation Long term Consultant: includes also 15 days of Hotel costs at the beginning of the assignment.

C1.1. Long Term TA air tickets: The Unit rate is just indicative; it's an average rate composed by 6 tickets at 119,654 KES and 12 tickets at 59,827 KES.
The family of the Technical Adviser we propose is composed by himself, his wife and two dependant children.

C.1.2. Includes 4 travels for supervisory visits made by the Consultant Headoffice.

C3 Will be detailed during the project implementation.

C4 Will be detailed during the project implementation.

C5 Will be detailed during the project implementation.