

## The African Union – General Conditions of Contract (GCC) for Purchase Orders

### 1. Definitions

1.1 The following terms shall be interpreted as indicated:

- (a) “Contract” means the Purchase Order issued by the Purchaser based on the schedule of requirements, technical specifications, plans, drawings and other documents in the invitation issued by the Purchaser, and the quotation submitted by the Supplier.
- (b) “Contract Price” means the price payable to the Supplier under the Purchase Order for the full and proper performance of its contractual obligations.
- (c) “Goods” means the equipment, machinery, items, commodities and/or other materials that the Supplier is required to supply to the Purchaser under the Contract.
- (d) “Purchaser” means the office of the African Union Commission purchasing the Goods, Works or Services, as named in the Purchase Order.
- (e) “Services” means the professional, technical, advisory, or maintenance obligations of the Supplier under a Contract for the provision of Services.
- (f) “Supplier” means the individual or firm supplying the Goods, Works or Services, as named in the Purchase Order.
- (g) “Works” means the construction, installation, and related activities required under a Contract for the provision of Works as defined in the Schedule of Requirements.

### 2. Country of Origin

2.1 All Goods, Works and Services supplied under the Contract shall have their origin in eligible countries and territories. Eligible countries shall include all member states of the United Nations.

### 3. Standards

3.1 The Goods, Works and Services supplied under the Contract shall conform to all standards and requirements in the Schedule of Requirements, technical specifications, plans, drawings, terms of reference or other documents forming part of the Contract.

### 4. Patent Rights

4.1 The Supplier shall indemnify the Purchaser against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the goods, output of the services, performance of the works, or any part thereof in the Country specified for delivery.

### 5. Warranty

5.1 The Supplier warrants that goods and materials supplied under the Contract are new, unused, of the most recent or current models, and incorporate all recent improvements in design and materials.

5.2 The Supplier warrants that all Works and Services performed under the contract shall be of the highest professional and technical standards.

5.3 Warranties shall remain valid for twelve (12) months after final acceptance of the Goods or Works by the Purchaser, unless specified otherwise in the Contract.

5.4 The Purchaser shall promptly notify the Supplier in writing of any claims arising under this warranty, and on receipt of such notice, the Supplier shall, with all reasonable speed, repair or replace the defective goods, works or parts thereof, without costs to the Purchaser.

5.6 If the Supplier, having been notified, fails to remedy any defect within the period specified in the contract documents, the Purchaser may proceed to take remedial action at the Supplier’s risk and expense.

### 6. Insurance

6.1 Goods supplied under the Contract shall be fully insured by the Supplier against loss or damage up to the point of delivery and acceptance by the Purchaser.

6.2 For Works contracts, the Supplier shall maintain insurance cover, from the Start Date to the end of the Defects Liability Period, for the following events:

- (a) loss of or damage to the Works, Plant, and Materials;
- (b) loss of or damage to Equipment;
- (c) loss of or damage to other property in connection with the Contract; and
- (d) personal injury or death.

6.3 For Services contracts the Supplier shall maintain:

- (a) public liability insurance;
- (b) third party insurance;
- (c) professional liability insurance, where appropriate;
- (d) employer’s liability and workers’ compensation insurance in respect of the personnel of the Supplier and of any sub-contractor.

### 7. Packing

7.1 The Supplier shall provide such packing of Goods as necessary to prevent damage or deterioration during transit to their final destination. The packing shall be sufficient to withstand rough handling and exposure to extreme temperatures, salt and precipitation during transit, and open storage.

7.2 Packing, marking, and documentation within and outside the packages shall comply with any requirements expressly provided for in the Schedule of Requirements.

### 8. Delivery

8.1 Delivery of Goods shall be made by the Supplier in accordance with the terms specified in the Schedule of Requirements.

8.2 The terms “EXW,” “CIF,” “CIP,” and other trade terms used to describe the obligations of the parties shall have the meanings assigned to them by the current edition of Incoterms published by the International Chamber of Commerce, Paris.

### 9. Transportation

9.1 Where the Supplier is required under the Contract to transport Goods to a specified place of destination, transport, including insurance and storage, shall be arranged by the Supplier, and related costs shall be included in the Contract Price.

### 10. Inspections and Tests

10.1 The Purchaser or its representative shall have the right to inspect and/or to test the Goods, Works or Services to confirm their conformity to the Contract at no extra cost to the Purchaser.

10.2 Inspections and tests may be conducted at the premises of the Supplier or its subcontractor(s), at the point of delivery, and/or at the project site. If conducted on the premises of the Supplier or its subcontractor(s), all reasonable facilities and assistance shall be furnished to the inspectors at no charge to the Purchaser.

10.3 Should any inspected or tested goods, works or services fail to conform to the Specifications, the Purchaser may reject the Goods, Works or Services and the Supplier shall either replace or make alterations necessary to meet specification requirements free of cost to the Purchaser.

### 11. Payment

11.1 The Supplier’s request for payment shall be made to the Purchaser by submission of an invoice describing, as appropriate, the goods delivered, works completed or services performed.

11.3 Payments shall be made promptly by the Purchaser, but in no case later than thirty (30) days after submission of an invoice or claim by the Supplier and the issue of a formal inspection report.

11.4 Payments shall be made in the currency specified in the Request for Quotation or Invitation for Bids unless otherwise stated in the Purchase Order.

### 12. Prices

12.1 Prices charged by the Supplier for goods delivered and works or services performed under the Contract shall not vary from the prices quoted by the Supplier in its bid.

### 13. Termination for Default

13.1 The Purchaser may terminate this Contract in whole or in part without prejudice to any other remedy for breach of Contract, by written notice of default sent to the Supplier:

(a) if the Supplier fails to deliver any or all of the goods or to perform the works or services within the period specified in the Contract, or within any extension thereof granted by the Purchaser; or

(b) if the Supplier fails to perform any other obligation(s) under the Contract.

(c) if the Supplier, in the judgment of the Purchaser, has engaged in corrupt or fraudulent, collusive, coercive or obstructive practices in competing for or in executing the Contract.

For the purpose of this Clause:

“corrupt practice” means the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;

“fraudulent practice” means any act or omission including a misrepresentation that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;

“collusive practice” means an arrangement between two or more parties designed to achieve an improper purpose,

including to influence improperly the actions of another party;

“coercive practice” means impairing or harming or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;

“obstructive practice” means deliberately destroying, falsifying, altering or concealing of evidence material to any investigation or making false statements to investigators in order to materially impede any investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation;

13.2 In the event the Purchaser terminates the Contract in whole or in part, pursuant to GCC Clause 15.1, the Purchaser may procure, upon such terms and in such manner as it deems appropriate, goods, works or services similar to those undelivered, and the Supplier may be liable to the Purchaser for any excess costs for such similar goods, works or services. However, the Supplier shall continue performance of the Contract to the extent not terminated.

### 14. Settlement of Disputes

14.1 If any dispute or difference of any kind whatsoever shall arise between the Purchaser and the Supplier in connection with or arising out of the Contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

14.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the Purchaser or the Supplier may give notice to the other party of its intention to commence arbitration proceedings as to the matter in dispute, and no arbitration in respect of this matter may be commenced unless such notice is given.

14.3 Any dispute or difference in respect of which a notice of intention to commence arbitration has been given in accordance with this Clause shall be finally settled by arbitration. Arbitration may be commenced prior to or after delivery of the goods or performance of the works or services under the Contract.

14.4 Arbitration proceedings shall be conducted in accordance with the rules of procedure of an authorised arbitration service agreed between the parties to the contract.

14.5 Notwithstanding any reference to arbitration herein, (a) the parties shall continue to perform their respective obligations under the Contract unless they otherwise agree; and (b) the Purchaser shall pay the Supplier any monies due to the Supplier that are not subject of arbitration.

### 15. Limitation of Liability

15.1 Except in cases of criminal negligence or wilful misconduct, and in the case of infringement pursuant to GCC Clause 4,

(a) the Supplier shall not be liable to the Purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs; and

(b) the aggregate liability of the Supplier to the Purchaser, whether under the Contract, in tort or otherwise, shall not exceed the total Contract Price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment.

### 16. Governing Language

16.1 The Governing Language of the Contract shall be English.

### 17. Taxes and Duties

17.1 The African Union (AU) and its organs are exempted from all direct taxes and are exempted from customs duties in respect of articles imported or exported for its official use in conformity with the General Convention on Privileges and Immunities. Accordingly the Supplier authorises AU to deduct from the Supplier’s invoice any amount representing such taxes or duties charged to the African Union by the Supplier. In the event that any taxing authority refuses to accept the African Union’s exemption from such taxes or duties, the Supplier shall immediately consult with the AU,

17.2 A Supplier shall be responsible for obtaining exemption for the African Union of all taxes, duties, license fees, etc., incurred until delivery of the contracted Goods to the Purchaser, unless otherwise agreed in writing by the AU.