

COUNCIL OF EUROPE



CONSEIL DE L'EUROPE

GENERAL CONDITIONS

SUPPLIES AND SERVICES

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I. Applicable law in the premises and grounds of the Council of Europe

The Council of Europe is an international organisation with 47 member states. The Organisation's activities are governed by its Statute.¹ Procurement contracts are concluded by the Council of Europe in accordance with its Financial Regulations and with Rule No. 1333 of 29 June 2011 on the procurement procedures of the Council of Europe.²

The Organisation enjoys privileges and immunities as provided for, in particular, in the General Agreement on Privileges and Immunities of the Council of Europe³ and the Special Agreement relating to the Seat of the Council of Europe.⁴

In accordance with the Special Agreement relating to the Seat of the Council of Europe, French law is, in principle, applicable in the premises, buildings and grounds of the Council of Europe headquarters. The Council of Europe may issue regulations applicable within its buildings and premises to facilitate the full exercise of its responsibilities.

II. General provisions

Article 1 - Scope

1.1 General points

The provisions of these general conditions shall apply to contracts entered into to ensure the proper functioning of the Council which make express reference hereto. The provisions of these general conditions shall in no case apply to the supply of intellectual services.

Contracts may provide for exceptions to certain of these provisions. These exceptions shall be set out in the specific contractual documents such as special conditions, any technical specifications, tendering rules or the tender document. Special conditions shall include a list of the articles of the general conditions to which exceptions are made.

The consultation procedure and the conditions for submitting bids shall be set out in the relevant tendering rules.

1.2 Supplier's general conditions

Any general conditions applied by the Supplier shall never take precedence over these general conditions. Any provision set out in the Supplier's documents which conflicts with the provisions of the general and specific contractual documents shall be deemed void, except where the Supplier's general conditions are more favourable to the Council.

¹ Statute of the Council of Europe: <http://www.conventions.coe.int/Treaty/EN/Treaties/Html/001.htm>

² Rule No. 1333 of 29 June 2011 on the procurement procedures of the Council of Europe: [Secretary General - Rule No. 1333 of 29 June 2011 on the procurement procedures of the Council of Europe](#) (See www.coe.int – Useful Links / Calls for tender).

³ General Agreement on Privileges and Immunities of the Council of Europe:
<http://www.conventions.coe.int/Treaty/en/Treaties/Html/002.htm>

⁴ Special Agreement relating to the Seat of the Council of Europe:
<http://www.conventions.coe.int/Treaty/en/Treaties/Html/003.htm>

Article 2 - Definitions

For the purposes of this document and the specific contractual documents:

The contracting authority is the Council of Europe, which concludes the contract with the Supplier.

- The "Supplier" is the economic operator which concludes the contract with the contracting authority's representative. For a consortium of economic operators, "Supplier" shall mean the consortium as represented by its duly appointed agent. In the event of such representation, a general letter of agreement shall specify the distribution of responsibilities and powers.
- "Notification" is the act of communicating information or a decision to a contracting party or parties by any physical or electronic means enabling the date and time of its receipt to be established with certainty. The date and time of receipt, which may be entered on a receipt acknowledgment, shall be considered to be the date and time of the notification.
- "Deliverables" shall mean supplies or services depending on the contract's object.
- An "order" is the Council's decision laying down the terms of supply of all or part of the deliverables concerned by the contract.
- "Acceptance" is the decision, taken after verifications, whereby the Council acknowledges, without reservations, that the deliverables are in conformity with the contractual provisions. An acceptance decision equates to a delivery certificate and constitutes the starting point of the warranty period.
- "Reservations" are all findings of non-conformity with the contractual provisions, made at the time of the pre-acceptance verifications, which are notified to the Supplier and which prevent the Council from issuing an acceptance decision. In the event of reservations the acceptance decision is deferred or issued subject to a price reduction.
- "Deferral" is a decision by the Council to issue reservations, on the understanding that the deliverables could be accepted provided corrections are made by the Supplier.
- A "price reduction" is a decision by the Council to reduce the amount payable to the Supplier for the deliverables, given that the deliverables do not fully satisfy the contractual requirements but can be accepted as they stand.
- "Rejection" is a decision by the Council not to accept the deliverables even after deferral or with a price reduction.

Where the contract provides that a party shall give notification, notice, consent, approval, authorisation, a certificate or a decision, that notification, notice, consent, approval, authorisation, certificate or decision shall, except if stipulated otherwise, be given in writing, and the terms "notify", "give notice", "consent", "approve", "authorise" "certify or "decide" shall have the same consequences. Consent, approval, authorisation, a certificate or a decision shall not be abusively withheld or delayed.

Article 3 - General obligations of the parties

3.1 Form of notifications and information

Notification to the Supplier of any decision or information given by the Council from which a time-limit is to be calculated shall be:

- delivered direct to the Supplier, or its duly authorised representative, against issue of a receipt;
- made by online communication or using electronic media;
- or made by any other means permitting certification of the date and time of receipt of the decision or information.

Such notification may be made to the Supplier's address as stipulated in the specific contractual documents or, failing that, to the Supplier's registered office, except if these documents require the Supplier to elect another domicile.

In the event of a consortium, the notification shall be made to the agent acting for the entire consortium. Electronic documents exchanged shall not require signature, except in the case of invoices.

3.2 Calculation of time-limits for the supply of deliverables

3.2.1 Any time-limit stipulated in the contract shall begin running at 00.00 hours on the day following the date of the event from which the time-limit is calculated.

3.2.2 When a time-limit is laid down in days, it shall be understood to be expressed in calendar days and shall expire at midnight on the last day of the time-limit.

3.2.3 When a time-limit is laid down in working days, it shall be understood to exclude Saturdays, Sundays and public holidays. If the last day of the time-limit is a Saturday, Sunday or public holiday, the time-limit shall be extended to the end of the first subsequent working day at midnight.

3.2.4 When a time-limit is laid down in months, it shall be reckoned from the start day to the same-numbered day of the month concerned. If there is no same-numbered day in the month during which the time-limit ends, it shall expire on the last day of that month at midnight.

3.2.5 A time-limit applicable to the Supplier shall not include the time needed by the Council to perform verifications and take its decision in accordance with Chapter VI.

3.3 Representation of the Council

As from notification of the contract, the Council shall appoint a natural person authorised to represent it in dealings with the Supplier for the purposes of performing the contract. Other natural persons may be authorised by the Council during the performance of the contract.

As from the notification of their name(s) to the Supplier, by the required date or contractual deadline, the representative(s) shall be deemed to have sufficient authority to take any necessary decisions binding the Council.

3.4 Supplier

3.4.1 Representation of the Supplier

When the contract is drawn up the Supplier shall appoint one or more natural persons authorised to represent it in dealings with the Council for the purpose of performing the contract. Other natural persons may be authorised by the Supplier during the performance of the contract.

As from the notification of their name(s) to the Council, by the required date or contractual deadline, the representative(s) shall be deemed to have sufficient authority to take any necessary decisions binding the Supplier.

3.4.2 Notification of changes in the Supplier's legal or economic situation

The Supplier shall notify the Council without delay of any changes occurring during the performance of the contract which concern:

- persons authorised to enter into undertakings on its behalf;

- the legal form under which it pursues its activities;
- its business name;
- its address or registered office;
- the information it provided concerning acceptance of a sub-contractor or approval of terms of payment; and in general any significant changes in its operations which may affect the performance of the contract.

3.4.3 Health insurance, social security cover and travel insurance

The Supplier undertakes to take all necessary measures to obtain health insurance and social security cover for the entire duration of the performance of the contract. In this connection, the Supplier shall recognise and accept that the Council assumes no liability for health or social risks relating to sickness, pregnancy or an accident that might arise during the performance of the contract, or for their consequences.

3.4.4 Tax obligations of the Supplier

The Supplier undertakes to observe any applicable law and to comply with its tax obligations. To this end:

- the Supplier shall submit to the Council an invoice drawn up in French or in English, made out in Euros and complying with the legislation in force in its country of tax residence;
- the Supplier shall declare for tax purposes any sums paid to it by the Council in accordance with the legislation in force in its country of tax residence.

3.4.5 Other obligations of the Supplier

3.4.5.1 In performing this contract, the Supplier undertakes to comply with the applicable principles, rules and values of the Council.

3.4.5.2 The Council's Staff Regulations and rules relating to temporary staff shall not apply to the Supplier.

3.4.5.3 Nothing in this contract may be construed as conferring on the Supplier the capacity of a Council of Europe staff member or employee.

3.5 Sub-contracting of service contracts

3.5.1 Appointment of sub-contractors

3.5.1.1 If the acceptance of one or more sub-contractors does not result from acceptance of the bid, their appointment shall be confirmed after the Council has given its agreement through a supplementary clause or specific document signed by the Council and the Supplier concluding the sub-contract; if the Supplier is a co-contractor but is not the agent for its consortium, the supplementary clause or specific document shall be countersigned by the consortium's agent.

3.5.1.2. Upon signature of the specific document establishing acceptance of the sub-contractor and approval of the terms of payment, the Council shall transmit copies of it to the Supplier and each sub-contractor concerned. Upon receipt of this notification, the Supplier shall inform the Council of the name of the natural person authorised to represent a sub-contractor.

3.5.1.3. The Supplier shall transmit the sub-contract and any supplementary clauses to the Council at the latter's request. In the event of failure to produce these documents within fifteen (15) days from receipt of notice to do so, served by the Council, the Supplier shall incur a penalty equivalent to 1/3 000 of the pre-

tax amount of the contract or of the tranche concerned, as modified by any supplementary clauses, or, failing that, of the amount of the relevant order. This penalty shall apply per day's delay.

3.5.2 Default

In the event of default by the agent for a consortium, its members shall appoint a replacement. If they fail to do so within eight (8) days from receipt of notice served by the Council to proceed with this appointment, the co-contractor whose name appears in second place in the tender document shall become the new agent for the consortium.

3.6 Orders

3.6.1 Orders shall be in written form, signed, dated and numbered. The Supplier shall acknowledge receipt of such orders, indicating the date of such receipt.

3.6.2 When the Supplier considers it necessary to submit observations concerning the requirements of an order, it shall notify them to the signatory of the order concerned within fifteen (15) days from the date of receipt of the order, failing which the observations shall be time-barred.

3.6.3 The Supplier shall comply with orders notified to it, whether or not observations have been submitted concerning those orders.

3.6.4. In the event of co-contracting, orders shall be addressed to the consortium's agent, who alone shall be entitled to submit observations to the Council.

3.6.5 Orders concerning sub-contracted deliverables shall be addressed to the Supplier, who alone shall be entitled to submit observations.

Article 4 - Confidentiality – loyalty

4.1 Obligation of loyalty and confidentiality

4.1.1 In the performance of the contract, the Supplier shall not seek or accept instructions from any government or any authority external to the Council and shall undertake to comply with the Secretary General's instructions, to observe absolute discretion and to refrain from any statement or act that may be construed as committing the Council.

4.1.2 The Supplier shall observe the utmost discretion in all matters concerning the contract, and particularly any service matters or data that have been or are to be recorded which come to the Supplier's knowledge in the performance of the contract. Unless obliged to do so under the terms of the contract, or expressly authorised to do so by the Secretary General of the Council, the Supplier shall refrain at all times from communicating to any person, legal entity, government or authority external to the Council any information which has not been made public and which has come to the Supplier's knowledge as a result of its dealings with the Council. Nor shall the Supplier seek to gain any private benefit from such information. Neither the expiry of the contract nor its termination by the Council shall end these obligations.

4.1.3 The Supplier shall inform sub-contractors of the confidentiality requirements and security measures imposed for the performance of the contract.

4.2 Conflict of interest

The Supplier shall take all necessary measures to prevent or end any situation likely to jeopardise the impartial, objective performance of the contract. The contractor shall ensure that members of its staff and its management and governing bodies do not find themselves in a situation that may lead to a conflict of interest. The Supplier shall avoid entering into any relationship that might pose a threat to its independence or to that of any member of its staff.

Any conflict of interest arising during the performance of the contract shall be notified to the Council without delay. In the event of such a conflict, the Supplier shall immediately take all necessary measures to bring it to an end.

4.3 Use of the Council of Europe's name

The Supplier shall not use the Council's name, flag or logo without the prior authorisation of the Secretary General of the Council of Europe.

4.4 Protection of personal data

4.4.1 Each party to the contract shall be required to comply with the rules governing protection of the personal data to which that party has access for the performance of the contract.

4.4.2 In the event of a change in the legislation on protection of personal data during the performance of the contract, the Supplier shall comply with it as soon as possible.

4.5 Disclosure of the terms of the contract

4.5.1 The Supplier is informed and gives an authorisation of disclosure of all relevant terms of the contract, including identity and price, for the purposes of internal and external audit and to the Committee of Ministers and to the Parliamentary Assembly of the Council with a view to these latter discharging their statutory functions, as well as for the purpose of meeting the publication and transparency requirements of the Council of Europe or its donors. The Supplier authorises the publication, in any form and medium, including the websites of the Council of Europe or its donors, of the title of the contract, the nature and purpose of the contract, name and locality of the Supplier and amount of the contract.

4.5.2 Whenever appropriate, specific confidentiality measures shall be taken by the Council to preserve the vital interests of the Supplier.

Article 5 - Health and safety and working conditions

5.1 Obligations of the Supplier

The Supplier shall be required to comply with the laws and regulations on health and safety and working conditions of the country where its staff are employed. The Supplier shall also comply with the provisions of the eight fundamental conventions of the International Labour Organization (ILO).

5.2 Dignity

The Supplier shall ensure that each member of its staff behaves in a manner that respects others' freedom or dignity.

In particular, the Supplier shall be subject to Rule No. 1292 of the Council of Europe on the protection of human dignity at the Council of Europe, as published on the Council of Europe's website at the following address:

<http://www.coe.int/fr/web/portal/call-for-tenders>

5.3 Legislative changes

In the event of a change in the legislation on health and safety and working conditions during the performance of the contract, the Supplier shall comply with it as soon as possible.

5.4 Application to sub-contractors

The Supplier shall inform its sub-contractors that the obligations laid down in this article apply to them. It shall remain responsible for compliance with these obligations throughout the contract's duration.

Article 6 - Protection of the environment – consideration of environmental issues – asbestos-related risk

The Supplier shall ensure that the deliverables comply with legislative and regulatory requirements in force concerning the environment, human health and safety (in particular regarding asbestos-related risks) and neighbourhood conservation. It shall furnish proof thereof, at the Council's request, at any time during the performance of the contract or the warranty period for the deliverables.

To this end, the Supplier shall take measures to control any potential adverse effects on the environment, in particular waste produced during the contract's performance, emissions of dust, smoke or pollutants, noise, repercussions for fauna and flora and the pollution of surface and/or ground water.

In the event of a change in environmental protection legislation, in particular with regard to the prevention of asbestos-related risks, during the performance of the contract, any modifications requested by the contracting authority's representative so as to comply with the new rules shall result in the signature of one or more supplementary clauses by the parties to the contract.

Article 7 - Insurance – Civil liability

7.1 Insurance

The Supplier shall take out insurance policies to cover its liability with regard to the Council and third parties in respect of accidents or damage caused by the supply of the deliverables.

7.2 Certificate dated less than six months previously

Within fifteen days of the contract's notification, and before beginning performance under the contract, the Supplier shall provide proof that it holds these insurance policies by means of a certificate attesting to the scope of the liability covered.

The Supplier shall produce such a certificate at any time during the performance of the contract at the request of the contracting authority and within fifteen days of receipt of that request.

7.3 Civil liability

The Council shall have no liability vis-à-vis the Supplier's operatives with regard to any risk of illness or accident which may arise during the performance of the contract.

The Supplier hereby certifies that its status and legal situation are in conformity with the applicable law and regulations and permit it to carry out the tasks provided for in the contract.

Article 8 - Reparation of damage

8.1 Damage of any kind

The Supplier shall be liable for damage of any kind caused by the Supplier to staff or property of the Council in connection with the performance of the contract.

The Council shall be liable for damage of any kind caused to the Supplier's staff or property in the event of a clear case of negligence by the Council linked to the performance of the contract.

8.2 Damage to supplies

As long as supplies are the property of the Supplier, except in the case of negligence by the Council, the Supplier shall retain sole liability for any damage to such supplies resulting from any event other than a duly recognised natural disaster. This provision shall not apply to damage caused by equipment supplied by the Council which is added to the Supplier's equipment.

8.3 Claims

The Supplier shall guarantee the Council in respect of any claims concerning damage arising from the equipment it supplies or any action by its operatives which affects the premises where this equipment is utilised, including claims from neighbours.

III. Prices - price adjustments – settlement of accounts - invoicing

Article 9 - Optional deliverables

Deliverables appearing as options or alternatives in the technical specifications and in the breakdown of the overall, all-inclusive price shall, where applicable, be the subject of a confirmation letter.

The Supplier shall remain bound by the proposed amount for a period stipulated in the special conditions, which shall start running as from the contract's signature. The Supplier shall not enjoy be entitled to any compensation in the event that the supply of the deliverables concerned is not confirmed.

Article 10 - Prices

10.1 General rules

10.1.1 Prices shall be deemed firm.

10.1.2 When firm prices are subject to updating and/or review, the adjustment coefficient shall be rounded up to the nearest thousandth of one percent.

10.1.3 Prices shall be deemed to include all taxes or other charges mandatorily levied on the deliverables, the costs of packaging, storage, wrapping, insurance and carriage to the place of delivery, any other expenditure necessary to the supply of the deliverables, and risk margins and profit margins. However, the Supplier shall remain liable for expenses incurred in the event of the Supplier's failure to request the administrative documents required for transport purposes or a delay in requesting such a document. Handling and transport costs resulting from a deferral or from the rejection of deliverables shall be borne by the Supplier.

10.1.4 Contracts including maintenance services

The Supplier's maintenance charges shall include the cost of parts, tools or ingredients and the related labour costs, including travel expenses and any expenses incurred in making the modifications referred to in paragraph 25.1.

Maintenance charges shall not include the following services, the cost of which shall be borne by the Council:

- modifications requested by the Council as compared with the contractual equipment specifications;
- repair of operating defects caused by the Council's negligence or by use of the equipment in a manner incompatible with the instructions given in the Supplier's documents;
- repair of operating defects caused by deficiencies in installations under the Council's responsibility;
- repair of operating defects caused by the addition of equipment obtained from another source or carried out by a party other than the Supplier or a person appointed by the Supplier to perform this work.

10.2 Determination and adjustment of prices

10.2.1 When the contract provides for the updating and/or review of prices, the latter shall be reviewed or updated under the conditions and at the dates or frequencies provided for in the special conditions.

10.2.2 Price review and updating methods

When the special conditions provide that prices shall be subject to review and/or updating, the corresponding calculation methods and reference indices shall be specified therein.

10.2.3 When a contract is concluded with a consortium of economic operators, the prices of the deliverables attributable to each Supplier under the contract shall be deemed to include the corresponding costs and margins, including charges which each Supplier may be required to reimburse to the agent.

Article 11 - Terms of payment – Invoicing

11.1 Advances

The Council shall not make any advance to the Supplier.

11.2 Deposits

When the specific contractual documents make provision for the payment of deposits, the amounts and timing thereof shall be determined by the Council on the basis of a description, provided by the Supplier, of the deliverables supplied and their price. A claim for payment shall be submitted in respect of each deposit.

11.3 Claims for payment

When submitting a claim for payment to the Council, the Supplier shall append the relevant supporting documents thereto.

11.3.1 A claim for payment shall be dated. It shall quote the contract's references and shall indicate where applicable:

- the price of deliverables accepted, in accordance with the contractual provisions, after deduction, where applicable, of price reductions determined in accordance with paragraph 23.3;
- when payments are to be made upon completion of certain stages in the contract's performance, the amount corresponding to the stage in question;
- in the event of a joint-liability-only consortium, the prices of the deliverables supplied by each economic operator;
- in the event of sub-contracting, the nature of the deliverables supplied by the sub-contractor.

11.3.2 When deliverables are supplied at the Supplier's risk and expense and the Supplier has defaulted, any excess cost borne by the Council, corresponding to the difference between the price the Council should have paid to the Supplier for the supply of the deliverables and the price actually paid to have them supplied by a replacement supplier, shall be deducted from the sums due to the Supplier in respect of accepted deliverables.

11.3.4 Unit prices may be sub-divided to take account of work in progress on deliverables.

11.3.5 All-inclusive prices may be sub-divided if the work on the deliverable or part of a deliverable concerned is not completed. In that case a share of the price equal to the percentage progress of the work shall be charged.

11.4 Calculation of the amount due by the Council in respect of deliverables supplied

11.4.1 The amounts due may be determined on the basis of a joint inspection, if any special conditions so provide.

11.4.2 When special conditions provide for the payment of deposits upon the completion of certain stages in the contract's performance, and when the fraction of the price to be paid at each stage is specified therein, the claim for payment shall indicate:

- for each part of the contract delivered, the corresponding fraction;
- for each part of the contract on which work has begun, following the Council's agreement, a share of the corresponding fraction equivalent to the percentage progress of the work on that part of the contract.

11.5 Submission of claims for payment

11.5.1 Claims for payment shall be submitted:

- either on the dates set out in the contract; or
- after acceptance of the deliverables in accordance with the contractual provisions.

11.5.2 A claim for payment may specify, where appropriate, any supplies which, under the contractual provisions or by agreement between the parties, are to be paid for while remaining in storage on the Supplier's premises.

11.6 Acceptance of claims for payment by the Council

The Council shall either accept or rectify a claim for payment. It shall determine the amount to be paid and, if it differs from the amount indicated in the claim for payment, notify the amount, as determined, to the Supplier.

11.7 Final payment and part-payments

11.7.1 A claim for payment shall be submitted to the Council following the acceptance decision.

A claim for payment may also concern a part-payment for the deliverables supplied when any special conditions provide that payments shall be made upon the completion of certain stages of the work on the deliverables provided for in the contract.

11.7.2 If, after receiving notice to do so, the Supplier fails to produce a claim for payment within forty-five days from the acceptance of the deliverables, the Council may proceed with the settlement on its own initiative based on a statement of account which it has drawn up. This statement of account shall be notified to the Supplier.

11.7.3 If the Supplier disputes the sums due, the Council shall pay the sums it has accepted. Upon settlement of the dispute, the Council shall pay any additional amount, if applicable.

11.8 Invoicing and payment

The Supplier undertakes to abide by all statutory provisions in force and to comply with its tax obligations. To that end, it shall present the Council of Europe with four copies of a duly drawn up and certified invoice, addressed to the Council of Europe, in compliance with the legislation of its country of tax residence. The payment deadline shall, in principle, be 60 days from the issue of the invoice, unless provided otherwise in the contract, and following acceptance of the deliverables by the Council.

The FIMS reference appearing after the order number shall obligatorily be indicated in the invoice.

Article 12 - Settlement in the event of sub-contracting or co-contracting

12.1 Provisions relating to co-contracting

12.1.1 In the event of a joint-liability-only consortium, each member of the consortium shall receive directly the sums corresponding to the supply of its own deliverables.

12.1.2 If the consortium is jointly and severally liable, the payment shall be made into a single account managed by the consortium's agent.

12.1.3 Whatever the form taken by the consortium, only the agent shall be entitled to submit a claim for payment to the Council. In the event of a joint-liability-only consortium, the claim for payment submitted by the agent shall be divided into as many shares as there are consortium members who should receive a separate payment. Each party shall indicate the information required for payment of the economic operator concerned.

12.1.4 Only the agent shall be entitled to submit or transmit consortium members' complaints.

12.2 Provisions relating to sub-contractors

No provision shall be made for direct payments to the sub-contractors of a Supplier or a consortium.

IV. Time-limits for performance – Penalties and bonuses

Article 13 - Time-limits for performance

13.1 Start of the time-limit for performance

13.1.1 The time-limit for performance of a contract shall begin on the date of its notification.

13.1.2 The time-limit for performance of an order shall begin on the date of its notification.

13.1.3 The time-limit for performance of a conditional tranche shall begin on the date of notification of the confirmation decision.

13.2 Expiry of the time-limit for performance

13.2.1 If the deliverables are to be supplied at the Council's premises, the expiry date of the time-limit for performance shall be the delivery or completion date.

13.2.2 When the contract provides that acceptance shall take place in the Supplier's premises, the expiry date of the time-limit for performance shall be the planned acceptance date.

13.2.3 For delivery of a study, the expiry date of the time-limit for performance shall be the date of submission of the study to the Council for verification.

13.2.4 If deliverables have not been completed by the contract's expiry date, the time-limit for performance of the deliverables in question shall expire on the contract's expiry date, with the exception of orders issued during the contract's validity.

13.3 Extension of the time-limit for performance

13.3.1 When the Supplier is unable to comply with a time-limit for performance through the Council's fault or as a result of an event constituting a case of force majeure, the Council shall extend the time-limit concerned. A time-limit extended in this way shall have the same effects as the contractual time-limit.

13.3.2 To obtain this extension, the Supplier shall inform the Council of the reasons preventing the performance of the contract within the contractual time-limit. The Supplier shall be allowed fifteen (15) days from the date on which the reasons became apparent in which to supply this information, or the period up to the contract's expiry date should the contract be due to expire within less than fifteen (15) days. The Supplier shall simultaneously inform the Council of the requested extension period.

13.3.3 The Council shall notify its decision within fifteen (15) days from the receipt of the Supplier's request, provided that the contract does not terminate beforehand.

13.3.4 No request for an extension of a time-limit may be submitted after the contractual time-limit for the supply of a deliverable has expired.

13.4 Contracts and supplementary clauses

The contractual time-limits for performance shall be specified in the special conditions. Any modification of these time-limits by the Council shall be notified.

Article 14 - Penalties and bonuses

14.1 Late performance penalties

14.1.1 Late performance penalties shall begin to run, without any notice having to be served, as from the day following the date of expiry of the contractual time-limit for the supply of the deliverables, subject to the provisions of paragraph 13.3.

The method of calculation of such penalties shall be set out in the special conditions.

14.1.2 Once the amount of the penalties has been determined, they shall be deducted from the updated or reviewed contract price.

14.2 Unavailability penalties in maintenance contracts

14.2.1 Equipment shall be deemed unavailable when, through no fault of the Council and outside periods of preventive maintenance work, its use is impossible either because of the malfunctioning of a unit or device, or the non-performance of one of its functions, or because of the unavailability of another piece of equipment to which it is linked via connections supplied and maintained by the Supplier and on which the performance of the work depends at the time of the incident.

14.2.2 Unavailability shall begin:

- in the event of on-site maintenance, at the time when the Supplier receives the maintenance request. When access to the defective equipment by the Supplier's operators is delayed through the Council's fault, the period of unavailability shall be suspended until effective access becomes possible;
- in the event of maintenance on the Supplier's premises, at the time of delivery of the defective element to the Supplier or its duly authorised representative.

14.2.3 Unavailability shall end when the elements are again made available to the Council, in good working order. However, if the repaired elements become unavailable again, for the same reasons, within a period of eight hours' use following their repair, the unavailability period shall be calculated from the initial finding of unavailability.

14.2.4 The Supplier shall inform the Council of the expected period of unavailability when that period exceeds the limits set out in paragraph 14.2.5.

14.2.5 Except in a case of force majeure, when the unavailability period exceeds the limits set out below, the Supplier shall incur penalties.

These limits shall be:

- eight working hours for on-site maintenance;
- fifteen consecutive days for maintenance on the Supplier's premises.

The method of calculating the penalty shall be set out in the special conditions.

14.3 Early delivery bonuses

No bonus for early delivery shall be awarded to the Supplier.

14.4 Force majeure

In a case of force majeure, the parties shall be released from any liability which they may incur under this contract, without the payment of any financial compensation. Force majeure is defined as including the

following: exceptional weather problems, earthquakes, strikes affecting air travel, attacks, a state of war, health risks or other events that would require a party to cancel the contract.

If a case of force majeure arises, each party shall be required to notify the other party thereof in writing, within a period of five (5) days.

V. Performance

Article 15 - Work sites

15.1 Information to be given to the Council

When work on deliverables is not carried out on the Council's premises, the Supplier shall inform the Council, upon request, of the work site. The Council may visit the location concerned to monitor the work's progress. Access to work sites shall be confined to the Council's representatives alone.

Persons appointed by the Council for this purpose shall have freedom of access solely to areas concerned by the performance of the work on the deliverables provided for in the contract, in accordance with the safety and security requirements applicable to the relevant location. They shall be bound by the confidentiality requirements set out in paragraph 4.1.

15.2 Hindrance

Should the Supplier hinder the Council from exercising its right of supervision during the performance of the contract, the Supplier shall be liable to the penalties provided for in paragraph 28.4.

Article 16 - Equipment, objects and supplies entrusted to the Supplier

16.1 Designation of a location

If the Supplier receives equipment or objects to be repaired, modified or maintained along with supplies, consisting of finished or semi-finished products or raw materials, the equipment, objects and any supplies not utilised shall be returned to the location, and on the date, specified in the specific contractual documents.

16.2 Supplier's liability

The Supplier shall be liable for the storage, maintenance and use of any equipment, objects or supplies entrusted to it as soon as the equipment, objects or supplies concerned are effectively made available. The Supplier may utilise them solely for the purposes set out in the contract.

16.3 Insurance

The Supplier shall insure equipment, objects and supplies entrusted to it, at its own expense, before they are made available to it and for as long as they remain so. The Supplier must be able to justify that it has complied with this insurance obligation at any time during the performance of the contract.

16.4 Costs and risks

Costs and risks incurred in transporting equipment, objects or supplies returned to the Council shall be borne by the Supplier.

16.5 Return

If the Supplier is unable to return, in a good state of repair, any item of equipment, object or supplies not utilised, for any reason whatsoever, the Council shall decide, after having informed itself of the Supplier's abilities, what reparatory measure shall be applied: replacement, repair or reimbursement.

In the event of reimbursement, the value taken into account shall be the residual value at the date of the article's loss or of the damage.

16.6 Withholding of payment

In the event of failure to return, replace, repair or reimburse articles within the time-limits specified in the special conditions, the Council may withhold payment of sums due for the relevant deliverables until the return, replacement, repair or reimbursement has effectively taken place, subject to a limit corresponding to the residual value of the articles concerned.

16.7 Termination

In addition to the reparatory measures referred to above, the contract may be terminated, under the conditions laid down in paragraph 28.4, in the event of failure to return equipment, damage to or mis-use of equipment, or failure to replace, repair or reimburse objects entrusted to the Supplier or supplies not utilised.

Article 17 - Storage, packaging and transport

17.1 Storage

If the special conditions require the Supplier to store equipment on its premises or in premises belonging to the Council, the Supplier shall assume liability for that equipment's safekeeping.

17.2 Packaging

17.2.1 The quality of packaging shall be appropriate to the transport conditions and methods. Responsibility for this shall lie with the Supplier.

17.2.2 Packaging shall remain the property of the Supplier.

17.3 Transport

Transport to the place of delivery shall take place under the Supplier's responsibility. Packing, loading and unloading operations shall be carried out under the Supplier's responsibility.

VI. Verifications, delivery and warranty

Article 18 - Delivery

18.1 Conditions

Supplies delivered by the Supplier shall be accompanied by a delivery slip, drawn up individually for each addressee, and indicating in particular:

- the date of shipment;

- the order or contract reference;
- the Supplier's name and address;
- the nature of the supplies delivered and, where applicable, their distribution among the packages;
- the manufacturing batch number or numbers, where required by the labelling regulations in force.

Each package shall bear a visible serial number, as indicated on the delivery slip. Packages shall enclose a list of their contents.

18.2 Proof

Proof of delivery of the supplies shall take the form of a receipt issued to the Supplier or of signature of the delivery slip, of which each party shall retain a copy.

Article 19 - Factory supervision

19.1 General points

When the special conditions provide for the supervision of work being carried out on the deliverables at the production site, the Supplier shall be required to comply with the provisions of this article.

It shall inform the Council of the factories or workshops in which the different phases of the work on the deliverables will be carried out. It shall ensure that the Council has free access to these factories or workshops and make available to the Council, free of charge, the resources it needs to perform its task.

19.2 Attendance by the Council

The Supplier shall inform the Council in a timely manner of all operations which the latter has stated it wishes to attend; failing this, the Council may either instruct the Supplier to restart the operations or refuse deliverables concerned by such operations performed without its supervision.

The Council must be informed immediately of any events likely to modify the performance of the planned operations.

19.3 Notification by the Council

During the performance of the work on the deliverables the Council shall notify the Supplier of any unsatisfactory aspect thereof.

19.4 Responsibility

The exercise of supervision shall not affect the Supplier's responsibility and shall not limit the Council's right to refuse deliverables found to be defective at the time of their verification.

Article 20 - Verification operations

20.1 Nature and cost of verification operations

The deliverables covered by the contract shall be subject to quantitative and qualitative verifications, so as to ensure that they satisfy the contractual provisions.

Verification operations shall be carried out under the conditions laid down in the special conditions. If the special conditions say nothing on this matter, verification operations shall be carried out in accordance with customary professional practices in respect of the general supplies or services concerned.

Any samples of materials or objects for testing shall be taken by the Council from the deliverables supplied under the terms of the contract.

20.2 Attendance by the Supplier

The Council shall inform the Supplier of the dates and times laid down for verifications, so that the Supplier can attend or send a representative. If the Supplier, having been duly informed, does not attend or send a representative this shall not hinder the performance of the verification operations or affect their validity.

Article 21 - Performance of verification operations

This article shall apply subject to the availability of the supplies delivered, in particular due to the performance of customs procedures. The time-limits stipulated in Articles 21, 22 and 23 shall in principle begin to run as from the completion of such procedures.

21.1 Simple operations

At the very time of the supplies' delivery, or of the services' performance, the Council shall carry out any simple quantitative and qualitative verification operations which require only a brief inspection and take little time to implement.

It may notify the Supplier immediately of its decision, which shall be taken in accordance with the provisions of Article 23.

If supplies are perishable, it shall do so without delay. If no decision is notified, the supplies shall be deemed accepted on the date of delivery.

21.2 Other operations

Verification operations other than those referred to in paragraph 1 above shall be carried out by the Council in accordance with the provisions of Article 22 below.

The Council shall carry out the verification and notify its decision within fifteen (15) days. Following the expiry of this time-limit the supplies shall be deemed to have been accepted.

For verifications performed in the Council's premises or in any other location of the Council's choice, the starting point for calculation of the time-limit shall be the date of delivery or, where applicable, of bringing into service in the specified location.

For verifications which, under the terms of the contract, are to be performed in the Supplier's premises or in any other location of the Supplier's choice, the starting point for calculation of the time-limit shall be the date of the notification given by the Supplier that all the supplies or services are ready for verification, subject to the provisions of paragraph 21.3 below.

21.3 Delivery of separate parts

If the contract provides for the delivery of separate parts, verifications shall be implemented, and a separate decision shall be taken, upon the delivery of each part.

Article 22 - Decisions following verification

22.1 Quantitative verifications

Following quantitative verification operations, if the quantity supplied or the services provided do not meet the contractual requirements, the Council may decide to accept them as they stand or serve notice on the Supplier to take the following action within a time-limit specified by the Council:

- either retake possession of any excess quantity supplied;
- or supplement the quantity delivered or complete provision of the service.

A quantitative rectification of the deliverables shall not prevent the performance of qualitative verification operations.

22.2 Qualitative verifications

Following qualitative verification operations the Council shall take a decision on acceptance, deferral, application of a price reduction or rejection in accordance with Article 23 below.

Article 23 - Acceptance, deferral, price reduction or rejection

23.1 Acceptance

The Council shall issue an acceptance of the deliverables, subject to any hidden defects, if they comply with the contractual requirements. Acceptance shall take effect on the date of notification of the acceptance decision to the Supplier or, if no decision is taken, within fifteen (15) days of the delivery date.

23.2 Deferral

23.2.1 If it considers that the deliverables can be accepted only subject to certain rectifications, the Council may decide to defer acceptance of the deliverables by a decision giving reasons. This decision shall invite the Supplier to re-submit the rectified deliverables to the Council within fifteen (15) days.

The Supplier shall give its agreement within ten (10) days from the notification of the deferral decision. If the Supplier refuses its agreement or fails to respond, the Council shall have a choice between accepting the deliverables with application of a price reduction or rejecting them, in accordance with the conditions laid down in paragraphs 23.3 and 23.4 of this article, within fifteen (15) days from the notification of the Supplier's refusal or the expiry of the ten (10) day time-limit referred to above.

Should the Council have failed to respond by the end of this fifteen (15) day time-limit, the deliverables shall be deemed rejected.

23.2.2 If the Supplier resubmits rectified deliverables following a deferral decision, the Council shall again benefit from the full time-limit for the performance of verifications as from the deliverables' re-submission by the Supplier.

23.2.3 If the verification operations were carried out in the Council's premises, the Supplier shall retake possession of articles concerned by a deferral decision within fifteen (15) days from the notification of that decision.

Following the expiry of this time-limit, the verified articles may be evacuated or destroyed by the Council at the Supplier's expense.

Deliverables of which acceptance has been deferred and which cause a danger or unbearable nuisance if kept on the Council's premises may be evacuated or destroyed immediately at the Supplier's expense, following notification given to the latter.

23.3 Price reduction

If the Council considers that the deliverables, albeit not fully compliant with the contractual requirements, can nonetheless be accepted as they stand, it may decide to do so while applying a reduction in their price proportionate to the extent of the deficiencies noted. This decision shall give reasons. It may be notified to the Supplier only after the latter has been afforded an opportunity to submit observations.

23.4 Rejection

23.4.1 If the Council considers that the deliverables cannot be accepted as they stand, it may decide to reject them in full or in part.

The rejection decision shall give reasons. It may be taken only after the Supplier has been afforded an opportunity to submit observations.

23.4.2 In the event of rejection, the Supplier shall be required to re-supply the deliverables provided for in the contract.

23.4.3 The Supplier shall retake possession of the rejected deliverables within one month of the notification of the rejection decision. Following the expiry of this time-limit they may be destroyed or evacuated by the Council at the Supplier's expense.

Rejected deliverables which cause a danger or an unbearable nuisance if kept on the Council's premises may be evacuated or destroyed immediately at the Supplier's expense, following notification given to the latter.

Article 24 - Transfer of ownership

Acceptance of deliverables shall result in transfer of ownership.

If the deliverables are handed over to the Council subsequent to their acceptance, the Supplier shall assume liability for their safekeeping until their effective delivery.

Article 25 - Maintenance of deliverables

25.1 Maintenance conditions and approach

If the contract provides for the maintenance of the deliverables supplied, this shall encompass maintenance work requested by the Council, maintenance work in the event of malfunctioning and preventive maintenance.

Maintenance work shall also concern modifications made to equipment at the Supplier's initiative. The Council shall be informed in advance of such modifications. The Council may refuse these modifications if they necessitate changes in its operating processes, unless the Supplier bears the cost of these changes. The Supplier shall guarantee that equipment under its maintenance will remain suitable for the uses laid down in the contract.

25.2 Access to Council of Europe premises for maintenance operations

25.2.1 When maintenance is carried out in the Council's premises, the maintenance work shall take place within a timespan specified in the special conditions, known as the intervention period.

25.2.2 Access measures

The Supplier shall comply with the safety, security and access measures in force within the Council.

This shall not constitute a ground for the Supplier to claim an extension of the time-limit for performance, any form of compensation or a price supplement.

25.2.2.1 The Council shall guarantee the Supplier free access to all premises or areas where it must perform its tasks, subject to the condition that the Supplier's staff shall have accepted the access, security and safety rules in force within the Council.

25.2.2.2 Access to the premises in Strasbourg shall be via a single entrance per building, identified as follows:

- | | |
|--------------------------|------------------------|
| • Palais de l'Europe: | Entrance II - PC Ouest |
| • D-Building: | Main entrance |
| • Human Rights Building: | Service entrance |
| • Agora Building: | PC Est |

- M-Building: Service entrance
- European Youth Centre (EYC): Main entrance

25.2.2.3 Deliveries of equipment will be made using the goods unloading area(s) of the relevant building unless the Council has granted an ad hoc derogation.

25.2.2.4 The Supplier shall inform the Council of delivery dates not less than two days in advance and shall supply the registration number(s) of the delivery vehicle(s). The Supplier shall be responsible for providing any handling equipment needed for unloading.

In exchange for a currently valid identity document, the Supplier and its operatives shall be issued with "passes" permitting them to move around the authorised building. Passes shall be returned at the end of each day. The Council's representative shall be informed of any operations concerned by such measures at least 24 working hours before the beginning of an intervention. The request shall specify:

- the firm's name
- the building concerned
- the type and duration of the work
- each operative's surname and first name
- any specific needs and obligatory regulatory formalities (welding and cutting permits, dust emissions and so on)

Passes shall be strictly personal. Any misuse shall be severely sanctioned. The Supplier shall report, within 15 days, any change in the status of persons issued with a pass (changes of posting, persons having left its employment, and so on).

No firm or staff member of a firm shall be authorised to enter a building if the security officer is not in possession of an intervention request drawn up by the project manager.

25.3 Ban on smoking – alcohol-related risks

Suppliers shall be required to observe Rule No. 1267 prohibiting smoking inside all Council of Europe buildings and Rule No. 1294 on managing alcohol-related risks on Council of Europe premises, as published on the Council's website at the following address:

<http://www.coe.int/fr/web/portal.call-for-tenders>

25.4 Maintenance work performed in the Supplier's premises

When the contract provides for maintenance work to be carried out in the Supplier's premises, the time-limit for the return of the equipment concerned shall be laid down in the special conditions.

The time-limit shall run from the date of receipt of the defective article at the Supplier's premises to the date of delivery of the repaired article or the replacement article to the Council's premises

Article 26 - Warranty

26.1 General points

Deliverables shall carry at least one year's warranty. The starting point for the warranty period shall be the date of notification of the acceptance decision.

26.2 Substance of the warranty

Under the warranty the Supplier shall undertake to repair or replace at its own expense the part of a deliverable that is acknowledged to be defective, except in cases where the defect is attributable to the Council.

During the warranty period the Supplier shall carry out repairs required by the Council.

The warranty shall also cover staff travel costs and the cost of packaging, packing and carriage of the equipment necessary to repair or replace the article concerned.

When the Council's enjoyment is impaired during a repair, the Council may require the provision of equivalent replacement equipment.

26.3 Time-limit

The time-limit within which the Supplier shall perform the adaptation or repair work required shall be determined by decision of the Council after consulting the Supplier

26.4 Extension of the warranty period

If the Supplier has not implemented required repairs by the time of the warranty's expiry, its validity shall be extended until the completion of those repairs.

VII. Amendment and termination of the contract

Article 27 - Amendments

27.1 Supplementary clauses

The provisions of this contract may be amended only by means of written supplementary clauses accepted by both parties.

27.2 Assignment

This contract may not be assigned in full or in part, whether for a consideration or free of charge, without the Council's prior written agreement.

Article 28 - Termination

28.1 General principles

The Council may order the suspension of work on the deliverables covered by the contract before their completion in the following circumstances: at the Supplier's request in the cases provided for in paragraph 28.3, due to the Supplier's negligence in the circumstances provided for in paragraph 28.4 or in the specific circumstances provided for in paragraph 28.2.

A decision to terminate the contract shall be notified to the Supplier. Subject to the special provisions set out below, termination shall take effect on the date stipulated in the termination decision or, failing that, on the date of notification.

28.2 Termination on account of extraneous events

28.2.1 Death or legal incapacity of the Supplier

In the event of the death or the legal incapacity of the Supplier, the Council may terminate the contract or agree to its pursuit by the Supplier's successors or a trustee. A transfer clause shall be drawn up to this end.

Termination, if pronounced, shall take effect on the date of death or legal incapacity. The Supplier or its heirs shall have no entitlement to compensation.

28.2.2 Receivership or judicial liquidation

The contract shall be terminated in the event of receivership if, after serving of notice, the judicial administrator does not undertake to subscribe to the Supplier's obligations.

In the event of the Supplier's judicial liquidation the contract shall be terminated following service of notice by the Council which has met with no response. The Supplier shall not be entitled to any compensation.

28.2.3 Physical incapacity or default of the Supplier

In the event of manifest, lasting physical incapacity of the Supplier, such as to jeopardise the proper performance of the contract, the Council may terminate the contract.

Termination shall not entitle the Supplier to any compensation.

In the event of default by the Supplier, not coming under the force majeure provisions set out in paragraph 13.4, the Council shall have the service provided by another supplier and using any appropriate means, at the Supplier's expense and risk.

28.3 Termination on account of contract-related events

If the Supplier encounters specific technical difficulties while supplying the deliverables, and the solution would require the implementation of resources that are disproportionate to the contract's value, the Council may terminate the contract of its own initiative or at the Supplier's request.

If the Supplier is unable to perform the contract on account of an event qualifying as force majeure, the Council shall terminate the contract.

28.4 Termination on grounds of the Supplier's negligence

28.4.1 The Council may terminate the contract on grounds of negligence by the Supplier, or, for a contract divided into lots, by each Supplier separately, in the following situations:

- a. Breach by the Supplier of legal or regulatory requirements in the fields of labour law or protection of the environment;
- b. Equipment, resources, objects or supplies have been entrusted to the Supplier, or buildings and land have been made available to it, and the Supplier finds itself in one of the situations set out in paragraph 16.7;
- c. The Supplier's failure to perform its obligations within the contractual time-limits;
- d. The Supplier has hindered the performance of a verification by the contracting authority in the context of Articles 15 and 19;
- e. The Supplier has sub-contracted work in breach of the requirements of paragraph 3.5 concerning sub-contractors;
- f. The Supplier has failed to produce insurance certificates as required under Article 7;
- g. The Supplier has declared its incapacity to honour its commitments, outside the case provided for in paragraph 28.2.1;
- h. The Supplier has failed to notify the modifications referred to in paragraph 3.4.2 and these modifications are such as to jeopardise the proper performance of the contract;
- i. The Supplier has committed acts of fraud in the performance of the contract;
- j. The Supplier or sub-contractor has failed to comply with the obligations relating to confidentiality, personal data protection and security, as required by Article 4;
- k. For maintenance services, a finding of unavailability is made during three consecutive days;
- l. The Supplier has delayed performing the contract to such an extent that the Council's use of the results is seriously jeopardised;
- m. Following the signature of the contract, the Supplier is prohibited from carrying on an industrial or commercial occupation;
- n. Following the signature of the contract, the information or documents produced by the Supplier in support of its application or bid, or which the Supplier is required to produce before the contract is awarded, prove to be inaccurate.

28.4.2 Except in the cases covered by points i, m and n above, the Supplier shall have been served with prior notice, along with a time-limit to respond, which has remained without effect.

Upon serving notice, the Council shall inform the Supplier of the sanction envisaged and invite the Supplier to submit observations.

28.4.3 The termination of the contract shall not prevent any legal action that may be taken against the Supplier.

28.4.4 In the cases of termination provided for above, the Council shall pay only the amount corresponding to any services effectively delivered to its full satisfaction at the time of the contract's termination and shall require the reimbursement of any amounts already paid in respect of services not delivered.

28.4.5 Amounts remaining due shall be paid into the Council's bank account within sixty (60) days of written notice having been served by the Council on the Supplier.

Article 29 - Statement of account on termination of the contract

In the event of the contract's termination, a statement of account shall be drawn up by the Council and be notified to the Supplier.

29.1 Substance

Whatever the ground of termination, the statement of account drawn up following a termination decision shall include:

29.1.1 To the Supplier's debit:

- the amount of any deposits, of partial final payments and of any final settlement payment;
- the value, as laid down in the contract and any supplementary clauses, of resources entrusted to the Supplier, which the latter is unable to return, and the trade-in value of any resources which the Council transfers to the Supplier under an amicable settlement;
- the amount of the penalties.

29.1.2 To the Supplier's credit:

29.1.2.1 The value of deliverables supplied to the Council, namely:

- the contractual value of deliverables received and accepted;
- the value of services supplied at the Council's request such as storage of supplies.

29.2 Specific provisions in the event of termination on the ground of the Supplier's negligence

In the event of termination on the ground of negligence by the Supplier, the statement of account on termination may also include, to the Supplier's debit:

- Additional expenditure arising from the conclusion of a contract at the Supplier's expense and risk under the conditions laid down in Article 31.

29.3 Notification

The statement of account shall be notified to the Supplier by the Council by no later than two months following the date of effect of the contract's termination.

Any late performance penalties shall be applied up to (and including) the day preceding the date of effect of the termination.

Article 30 - Handover of deliverables and of material resources permitting the performance of contracts

In the event of termination, the Council may require the Supplier, at its own expense, to:

- hand over deliverables on which work is in progress and materials and objects held with a view to performing the contract;
- hand over any material resources specifically intended for use in performing the contract;
- implement precautionary measures, in particular storage or caretaking operations.

The Council shall inform the Supplier or its successors of these requirements upon notifying the termination and shall specify the time-limit within which the Supplier shall hand over these articles and the conditions under which they are to be kept pending such handover.

Article 31 - Supply of deliverables at the Supplier's expense and risk

31.1 General points

The Council may arrange for the deliverables to be supplied by a third party at the Supplier's expense and risk if the Supplier has failed to supply a deliverable which, by nature, cannot be delayed, or in the event of termination of the contract due to the Supplier's fault.

31.2 Equivalent deliverables

If it is not possible for the Council to obtain, under acceptable conditions, deliverables which exactly correspond to those provided for in the specific contractual documents, the Council may replace them with equivalent deliverables.

31.3 Participation of a Supplier concerned by a terminated contract

A Supplier concerned by a terminated contract shall not take part, either directly or indirectly, in the supply of deliverables at its expense and risk. It shall nonetheless provide any information or resources that were being utilised for the performance of the initial contract which are necessary to the performance of the contract by the third party appointed by the Council.

31.4 Costs

A cost increase in relation to the contractual price as a result of the supply of deliverables at the Supplier's expense and risk shall be borne by the Supplier. A decrease in costs shall not benefit the Supplier.

VIII. Disputes and litigation

Article 32 - Dispute settlement

In accordance with the provisions of Article 21 of the General Agreement on Privileges and Immunities of the Council of Europe, all disputes between the Council and the Supplier as regards the application of this contract shall be submitted, if a mutual agreement cannot be reached between the parties, to arbitration as laid down in Rule No 481 of the Secretary General, which is reproduced below.

Rule No. 481 of 27 February 1976 on the arbitration procedure of any disputes between the Council of Europe and private persons

The Secretary General of the Council of Europe,

Having regard to the Statute of the Council of Europe, of 5 May 1949, and in particular its Articles 11 and 40,

Having regard to the General Agreement on Privileges and Immunities of the Council of Europe signed on 2 September 1949, and in particular its Articles 1, 3, 4 and 21, as well as the Special Agreement relating to the seat of the Council of Europe signed on 2 September 1949,

Considering that it is appropriate to determine the arbitration procedures for any disputes between the Council and private persons regarding supplies furnished, services rendered or immovable property purchased on behalf of the Council,

Having regard to the decision of the Committee of Ministers of the Council of Europe at the 253rd meeting of the Deputies,

Decides:

Article 1

Any dispute relating to the execution or application of a contract covered by Article 21 of the General Agreement on Privileges and Immunities of the Council of Europe shall be submitted, failing a friendly settlement between the parties, for decision to an Arbitration Board composed of two arbitrators each selected by one of the parties, and of a presiding arbitrator, appointed by the other two arbitrators; in the event of no presiding arbitrator being appointed under the above conditions within a period of six months, the President of the Tribunal de Grande Instance of Strasbourg shall make the appointment.

Article 2

However, the parties may submit the dispute for decision to a single arbitrator selected by them by common agreement or, failing such agreement, by the President of the Tribunal de Grande Instance of Strasbourg.

Article 3

The Board referred to in Article 1 or, where appropriate, the arbitrator referred to in Article 2 shall determine the procedure to be followed.

Article 4

If the parties do not agree upon the law applicable the Board or, where appropriate, the arbitrator shall decide ex aequo et bono having regard to the general principles of law and to commercial usage.

Article 5

The arbitral decision shall be binding upon the parties and there shall be no appeal from it.

Strasbourg, 27 February 1976

Signature