



Norwegian Coastal Administration – Proposed Contract Terms for the Procurement of Services



K Y S T V E R K E T

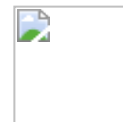
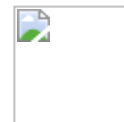


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1 GENERAL PROVISIONS

1.1 Definitions

- Agreement Document means the document signed by the Parties confirming the conclusion of the Contract.
- Customer means the Norwegian Coastal Administration (Kystverket).
- Supplier means [XX].
- Party/Parties means the Customer and/or the Supplier under the Contract.
- Contract means the Contract Document, these Terms and Conditions for Services, and any annexes, addenda and amendments agreed in writing.
- Deliverables means what is agreed to be delivered under the Contract.

1.2 Inconsistencies – Order of Precedence

In the event of any inconsistency between the documents, the contract documents shall apply in the following order of precedence:

1. Terms and Conditions for the Purchase of Services
2. Annex 1: Customer's Requirements Specification
3. Annex 2: Supplier's Solution Description
4. Annex 3: Price
5. Annex 4: Changes after Contract Signature (Change Order Annex)

Change Order Annexes shall take precedence over the Terms and Conditions and the other Annexes.

1.3 General Terms

The Terms and Conditions apply to the procurement of services for the Norwegian Coastal Administration (Kystverket) (the "Customer").

Upon entering into the Contract, the Supplier has accepted these Terms and Conditions. Any deviating terms shall have no effect on the Parties unless accepted in writing by the Customer.

Any terms and conditions of the Supplier that may be attached to accompanying documents, order confirmations, or invoices shall not apply to the extent they conflict with these Terms and Conditions for Services.

1.4 Points of contact

Each of the Parties shall appoint a contact person who will act on behalf of the Party in all matters concerning the performance of the Contract.

Name	Title	Entity	Phone	E-mail



1.5 Communication

Communication regarding the Contract shall be addressed to the Parties' Contact Persons. Enquiries shall be answered without undue delay.

The Customer and the Supplier shall, at an agreed frequency, hold status meetings concerning their cooperation.

The Supplier is responsible for convening the status meetings. The frequency and timing of the meetings shall be determined at the kick-off meeting.

1.6 Term

The Contract shall enter into force upon signature.

Either Party may terminate the Contract by written notice during the Contract Period, with six (6) months' notice from the date of the notice.

The contract shall remain in force for a period of three (3) years from the date of signature. The Contracting Authority shall have the option to extend the contract for up to two (2) additional years, in increments of one (1) year.

The Customer may terminate the Contract for convenience by giving six months' written notice. The Supplier may not terminate the Contract for convenience during the initial Contract Period. The Supplier's right to terminate shall be limited to material breach by the Customer that has not been remedied within a reasonable written cure period, or prolonged force majeure in accordance with Clause 1.15.

1.7 Customers obligation

The Contract does not grant the Supplier an unconditional exclusive right.

The Customer intends to use the Supplier for services within the scope of the Contract. The Customer may procure services from third parties where:

- a. the Supplier is unable to provide the required capacity or dates;
- b. the Supplier is affected by delay, defects or other breach;
- c. urgent operational requirements make alternative procurement necessary;
- d. the requirement falls outside the scope of the Contract; or
- e. use of another supplier is otherwise permitted by applicable procurement law.

Estimated volumes do not constitute a purchase commitment unless expressly stated in Annex 1.

1.8 Supplier's General Obligations

The Deliverables shall meet all requirements set out in **Annex 1 – Requirements Specification** to the Contract. The Deliverables shall be fit for purpose and otherwise free from legal defects of any kind.

The Supplier may not engage any subcontractor without the Customer's prior written consent. Any such consent shall not relieve the Supplier of any obligations under the Contract.

If the Deliverables do not comply with the requirements of the Contract, the Customer shall, within a reasonable time, notify the Supplier in writing that the Deliverables are not accepted and



state the reasons for the non-acceptance.

1.8.1 Delivery

The Supplier shall perform the Services at the agreed location and at the agreed time, in accordance with the Customer's Requirements Specification (**Annex 1**).

Delivery shall not be deemed to have occurred until the Deliverables have been accepted by the Customer.

Unless otherwise agreed, or where it clearly follows from the nature of the Services, the Supplier's personnel shall perform the Services at the Customer's premises.

1.8.2 Supplier's Personnel

The Customer has no employer responsibility for personnel performing work for the Supplier. The Supplier is responsible for safeguarding health, safety and the environment (HSE) for its own employees while performing work for the Customer.

Where work is carried out at the Customer's premises, the Supplier's employees shall acquaint themselves with and comply with the Customer's safety and working environment rules.

1.9 Price adjustment

Prices are set out in **Annex 2 – Price** and are stated in NOK (Norwegian kroner), exclusive of VAT, and include all mark-ups charged by the Supplier, including taxes and other public charges.

Prices are fixed for the Contract Period and may only be adjusted in accordance with the Norwegian Consumer Price Index (CPI) as published by Statistics Norway (SSB), for the first time 12 months after Contract signature.

In addition, for those parts of the Price that are based on costs incurred by the Supplier in foreign currency, the Customer shall have the right to adjust the corresponding NOK prices annually to reflect exchange rate fluctuations within a $\pm 5\%$ corridor.

The adjustment shall be based on the relevant exchange rate published by Norges Bank on the date 30 days prior to the adjustment, compared to the exchange rate applied at Contract signature.

If the exchange rate change exceeds $\pm 5\%$, only the portion beyond $\pm 5\%$ shall be applied to the price adjustment. The Supplier shall, upon request, document which parts of the Price are currency-dependent.

If tax or duty provisions are amended in a way that affects the price, the Supplier may request a corresponding adjustment.

1.10 Payment terms

Invoicing shall be based on documented Deliverables performed. The invoice shall be accompanied by a complete breakdown of hours spent, including when, for what, and where. Payment of an invoice shall not constitute acceptance of the invoicing documentation.

The Customer only accepts invoices submitted in the PEPPOL BIS Billing 3.0 format, transmitted via the Peppol network.



Invoices shall be marked with:

- Purchaser reference:
- Name:
- Order number:

Electronic invoices shall be transmitted via the communication method chosen from time to time by the Norwegian Agency for Public and Financial Management (DFØ) through the Peppol network. If the communication method is changed, the Supplier will be notified six (6) months prior to the required change taking effect.

The Supplier shall bear any costs associated with the submission of electronic invoices.

The Customer is entitled to return invoices that do not meet the marking requirements or the PEPPOL BIS validation requirements.

Payment shall be made within 30 days after receipt of a correct invoice.

The Customer may deduct from the invoice amount any advance payments, as well as disputed or insufficiently documented items. In the event of breach, the Customer may withhold payment, but not in an amount that manifestly exceeds the proportion of the total remuneration attributable to the breach.

Disputed claims shall not fall due for payment until the Parties reach agreement, or, failing that, until a final and binding judgment has been rendered.

If it has been agreed that the Supplier shall provide a bank guarantee, the Customer is not obliged to make payments until such guarantee has been received.

1.10.1 Late payment

In the event of late payment, the Customer shall pay interest on the overdue amount in accordance with the Norwegian Act relating to Interest on Overdue Payments, etc. of 17 December 1976 No. 100 (the "Late Payment Interest Act").

1.10.2 Bank Guarantee

If all or part of the remuneration is to be paid in advance, the Supplier shall provide a bank guarantee as security for the payment.

The guarantee shall correspond to the Customer's advance payment and remain in force until delivery.

Unless otherwise agreed, the Customer shall not be required to provide a performance guarantee.

1.10.3 Price Adjustment – Norwegian Consumer Price Index (CPI)

Notwithstanding any other provision of this Agreement, including provisions relating to currency adjustments, this clause shall take precedence.

Prices shall be adjusted annually in accordance with the Norwegian Consumer Price Index (CPI) as published by Statistics Norway (SSB).

The adjustment shall be based on the percentage change in the CPI over the most recent 12-month period available at the time of adjustment. Unless otherwise agreed, the index value for the month corresponding to the contract start date shall form the baseline for the first



adjustment. Subsequent adjustments shall be based on the index value applied in the previous adjustment.

Price adjustments under this clause shall apply to the full contract price and shall not be subject to thresholds, caps, or deductions.

If the CPI is discontinued or materially altered, the parties shall agree on a comparable index published by Statistics Norway.

1.10.3.1 Price Adjustment Due to Currency Changes

The parties may request a price adjustment at the start of a new contract year to the extent that exchange rates change beyond $\pm 3\%$. The currency-dependent portion of the price is set at 70%. Price changes resulting from exchange rate fluctuations shall be based on the percentage change in the relevant currency, less 3%. The currency specified in the pricing schedule shall form the basis for the price adjustment.

Calculation Method for the First Currency Adjustment

The first price adjustment shall be based on the percentage change in Norges Bank's average exchange rates for the last three completed months, measured from the bid submission deadline up to the time of notification of the price adjustment, less 3%.

Calculation Method for Subsequent Currency Adjustments

Subsequent price adjustments shall be based on the percentage change in Norges Bank's average exchange rates for the last three completed months, measured from the previous price adjustment up to the time of notification of the subsequent adjustment, less 3%.

1.11 HSE and Regulatory Requirements

The Supplier shall comply with all statutory requirements relating to Health, Safety and the Environment (HSE), as well as any other requirements imposed by public authorities.

For deliveries of chemical substances, legally compliant Safety Data Sheets (SDS) shall be provided together with the delivery.

HSE means Health, Safety and the Environment. Environmental aspects such as emissions to air, soil and water, energy use, waste, and material selection are included in the term.

1.12 Intellectual Property Rights

Unless otherwise agreed, the Customer acquires no rights to design concepts, inventions, patents, or any other intellectual property rights.

The Supplier shall ensure that the Deliverables are free from any third-party right or claim based on copyright, industrial property rights, or other intellectual property rights, which the Supplier knew or ought to have known at the time the Contract was entered into. The Supplier shall be liable for the consequences of any infringement of third-party rights.

The Customer shall indemnify and hold the Supplier harmless from and against claims for damages arising from the use of the Customer's drawings, specifications and/or licences.

1.13 Corporate Social Responsibility and Ethical Guidelines

The Supplier shall respect fundamental social and ethical requirements in its operations. These requirements set minimum, not maximum, standards. Where these guidelines and national laws or regulations address the same subject matter, the higher standard shall always apply. If the Supplier engages subcontractors to perform this Contract, the Supplier is obliged to pass on the



requirements set out below and promote compliance with them among its subcontractors.

All agreements entered into by the Supplier that entail the performance of work under this Contract shall contain corresponding provisions.

In connection with contract follow-up, or in the event of a suspected breach, the entire documentation obligation rests with the Supplier.

The costs of remedy shall be borne by the Supplier, regardless of amount. The Supplier bears the burden of proof.

A breach of this chapter of the Contract shall be deemed a material breach.

1.13.1 Human rights

The Supplier shall respect the United Nations Universal Declaration of Human Rights (UDHR).

1.13.2 Freedom of Association and the Right to Collective Bargaining

(ILO Conventions Nos. 87 and 98)

Workers shall, without exception, have the right to join or establish trade unions of their own choosing and to bargain collectively. Where these rights are restricted or under development, the Supplier shall facilitate that employees are able to meet with management to discuss wages and working conditions without retaliation or other adverse consequences.

1.13.3 Prohibition of Child Labour

(UN Convention on the Rights of the Child Article 32; ILO Conventions Nos. 138 and 182)

Child labour, as defined in the conventions cited above, is prohibited. Where such child labour is found to occur, it shall be phased out without undue delay. At the same time, arrangements shall be made to ensure that the children are provided with livelihood support and access to education until they are no longer of compulsory school age.

1.13.4 Forced Labour/Slavery

(ILO Conventions Nos. 29 and 105)

No form of forced labour, slavery, or involuntary labour shall occur.

Workers shall not be required to lodge deposits or identity documents with the employer and shall be free to terminate their employment upon reasonable notice.

1.13.5 Non-Discrimination

(ILO Conventions Nos. 100 and 111)

There shall be no discrimination in employment and working life on the basis of ethnic origin, religion, age, disability, sex (gender), marital status, sexual orientation, trade union membership, or political affiliation.

1.13.6 Wages and Working Conditions

The Supplier shall ensure that employees in its own organisation and employees of any subcontractor do not have wages and working conditions that are less favourable than those provided by applicable collective agreements, regulations, or what is normal for the place and occupation concerned. This applies only to employees who directly contribute to the



performance of the Contract. This requirement also applies to work to be performed abroad. Forced labour shall not occur, cf. ILO Conventions Nos. 29, 87, 98, 100, 105 and 111.

Upon request, the Supplier shall provide documentation of the wages and working conditions applied. The documentation obligation also applies to subcontractors.

If the Supplier fails to comply with this clause, a reasonable deadline shall be set for the Supplier to remedy the situation. The Customer shall be entitled to withhold parts of the contract sum until it has been documented that the conditions are in order. The amount the Customer is entitled to withhold shall correspond to approximately five (5) times the earnings of the Supplier or the subcontractor.

The Customer may terminate the Contract if the Supplier has not rectified the situation within the specified deadline or refuses to bring the matter into compliance.

1.14 Breach of contract

1.14.1 Delay

A delay shall be deemed to occur if the Supplier fails to deliver at the agreed time, or if the Deliverables do not conform qualitatively or quantitatively to the Contract, unless the delay is caused by circumstances attributable to the Customer.

If the Supplier's performance of the Deliverables is so defective that the Customer's purpose of the Deliverables is materially frustrated, the Customer may elect to treat this as a delay.

1.14.2 Consequences of Delay

In the event of delay or anticipated delay, the Supplier shall, without undue delay, give the Customer written notice thereof. The notice shall state the cause of the delay and indicate when the Deliverables will be performed/completed.

If the Customer does not receive such notice within a reasonable time after the Supplier became or ought to have become aware of the impediment, the Customer may claim compensation for losses that could have been avoided had the notice been given in time.

1.14.3 Defects

The Supplier is responsible for any defect in the Deliverables and in the performance thereof.

The Customer shall give written notice within a reasonable time after the defect was discovered, and in any event no later than six (6) months after delivery has taken place. For remedial works, a corresponding notice period shall run from the date the remedial work was completed. The notice periods shall be suspended for as long as remedial work or other activities necessary for proper performance of the Contract are being carried out.

1.14.4 Consequences of Defects

If the Customer gives notice of a defect, the Supplier shall commence remedy immediately. Remedial work may be postponed if the Customer has objective grounds to require such postponement. Remedial work shall be carried out at no cost to the Customer. If the defect cannot be remedied without causing material inconvenience to the Customer, the Supplier shall replace or re-deliver / re-perform the Deliverables.

If the Supplier has not remedied the defect within a reasonable time, the Customer is entitled to remedy the defect itself or through third parties, or to make a cover purchase at the Supplier's risk and expense, or to claim a price reduction. The same applies if it would cause material inconvenience for the Customer to await the Supplier's remedy. In such cases, the Supplier shall



be notified in writing before remedial action is undertaken.

The Customer may claim compensation for losses suffered as a result of the defect. Such compensation is limited to direct losses, unless the Supplier, or a party for whom it is responsible, has acted with gross negligence or wilful misconduct.

The Customer may terminate the Contract if the defect constitutes a material breach. In such cases, the Customer may reject the Supplier's offer of remedy.

1.14.5 Damages

The Customer's right to claim damages is independent of, and without prejudice to, any other claims the Customer may assert as a consequence of the breach of contract, regardless of the availability or enforceability of such other claims.

1.14.6 Default (breach of contract)

If defects or delay are not remedied within ten (10) Business Days after a written demand for delivery or remedy from the Customer, the Customer may make a cover purchase at the Supplier's risk and expense.

If a Party breaches the Contract, the other Party may demand immediate cure.

If a Party materially breaches the Contract, the other Party may terminate the Contract with immediate effect.

Unless otherwise agreed, the Customer may not claim liquidated damages (daily penalties) for defective or delayed delivery.

Unless otherwise agreed, the Supplier's liability for damages is limited to direct losses and the costs of a cover purchase, capped at the total Contract value (the Contract Price). In the event of the Supplier's gross negligence or wilful misconduct, this limitation of liability shall not apply.

1.14.7 Material Breach of Contract

The Supplier's bankruptcy, insolvency, violation of other essential financial conditions, repeated breaches of instructions, breaches of public laws or regulations, fraud, negligence, or any other circumstances that undermine the Customer's trust, as well as delays or defects that prevent the Customer's purpose of the Contract from being achieved, shall always constitute a material breach of contract.

The list provided in this clause is not exhaustive for determining what constitutes a material breach of contract.

1.15 Force Majeure

The following circumstances shall be regarded as force majeure if they occur after the conclusion of the Contract and prevent its performance: war, rebellion or internal unrest, decisions by public authorities, natural disaster, interruption in the public power supply or in general transport, significant labour disputes, fire, or any other circumstance of a similar nature and materially disruptive significance. A delay will only be accepted as force majeure provided that the Supplier has taken all reasonable measures to limit/mitigate the effects of the delay.

If the delay or defect is due to a third party engaged by the Supplier to perform the Deliverables in whole or in part, the Supplier shall be exempt from liability only if such third party would also have been exempt pursuant to the preceding paragraph. The same applies if the delay or defect is due to a subcontractor or any other supplier in an earlier tier of the supply chain.

If the force majeure situation is expected to last, or has lasted, for more than two (2) days, the



Parties shall have the right to cancel the order by giving written notice to the other Party.

1.16 Insurance

The State is self-insured for its own risks, and therefore no separate insurance to cover such risks shall be procured at the Customer's expense.

This does not affect the Supplier's obligation to maintain any insurances required by law or elsewhere in the Contract.

1.17 Indemnification

The Supplier shall indemnify and hold the Customer harmless from and against any claim arising from damage to the Supplier's property, and from claims by the Supplier's own personnel or by personnel of third parties.

The Parties shall mutually inform each other when any third-party claim is brought that concerns the other Party.

1.18 Confidentiality

The Supplier and the Supplier's personnel are obliged to treat all information concerning the Customer and the Deliverables as confidential, including after the contractual relationship has ended.

The Supplier and its subcontractors may not use information about the Contract for advertising or promotional purposes without the Customer's prior written approval. Information about the Contract may, however, be used as a general reference without such approval.

The Customer shall approve any contact with the media by the Supplier and/or its subcontractors regarding the Contract.
A breach of this clause shall be deemed a material breach of contract.

1.19 Publicity and Media

The Supplier and its subcontractors may not use information about the Contract for advertising or promotional purposes without the Customer's prior written approval. Information about the Contract may, however, be used as a general reference without such approval. The Supplier's contact with the media regarding the Contract shall be subject to the Customer's approval.

1.20 Governing Law and Jurisdiction

The Contract shall in all respects be governed by and construed in accordance with Norwegian law, and any legal disputes concerning the Contract shall be resolved pursuant to the Norwegian rules of civil procedure.

The Parties shall seek to resolve any dispute through negotiations. If no resolution is achieved, the dispute shall be referred to the ordinary courts.

The Oslo District Court (Oslo tingrett) shall be the agreed legal venue and shall have exclusive jurisdiction.