Draft Framework Agreement

Road transport of round wood
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FRAMEWORK AGREEMENT
The Contracting Parties have today entered into the following Framework Agreement:  

The Danish Nature Agency, Centre of Operations (Driftscenntret)  
Gjøddinggård  
Førstballevej 2  
7183 Randbøl, Denmark  
Telephone number: +45 72543000  
EAN number: 5798000860483  

hereinafter referred to as the Contracting Authority  

and  

< Indsæt Leverandørens navn>  
< Indsæt Leverandørens adresse>  
< Indsæt Leverandørens postnr. og by>  

hereinafter referred to as the Supplier  

The Supplier has been accepted for the following sub-contract(s):<indsæt delaftalenumber. og geografisk betegnelse>.  

This Framework Agreement and its annexes have been prepared in both English and Danish versions. The English version is solely for information for the Suppliers/Tenderers. In the event of a discrepancy between the Danish and the English version, the Danish language version shall always prevail, without question.
1. **BACKGROUND AND PURPOSE**

The Contracting Parties have concluded this Framework Agreement subsequent to the completion of a prior tendering procedure as announced in the Official Journal, cf. Procurement Notice no. [2016/S xxxx].

This Framework Agreement is aimed at ensuring the basis for the Contracting Authority's transport of round wood from forests to recipients, as well as regulating cooperation between the Contracting Authority and the Supplier with regards to the elements of this work linked to transport.

This Framework Agreement forms the basis for possible entry into specific contracts regarding the transport of round wood by re-opening the competition through Mini Tendering Procedures, cf. clause 74.

This Framework Agreement shall not obligate the Contracting Authority to award a specific number or volume of contracts and therefore, on entering into this Framework Agreement, the Supplier is in no way guaranteed work or any form of turnover, but is solely given the opportunity to submit a tender in the Mini Tendering Procedures organised by the Contracting Authority according to the sub-agreements(s) for which the Supplier has been accepted.

2. **DEFINITIONS**

*Work*: means projects carried out pursuant to this Framework Agreement and underlying contracts entered into on the basis of Mini Tendering Procedures.

*Working day*: means a weekday from Monday through Friday except for public holidays, Christmas Eve, New Year's Eve and Constitution Day.

*Annex*: means all annexes in the list of annexes. If the definition is followed by a specific number, the definition refers to the specific annex in the list of annexes.

*Day*: means calendar day.

*KFM*: means cubic metres of solid volume round wood measured on bark with VMF as reference. A VMF measurement determines the true volume of wood in the stack without the air. The outer volume of stacked wood in cubic metres will thus be greater than the volume of the stacked wood measured in KFM.

*Contract*: means the specific contracts entered into between the Contracting Authority and the Supplier following a Mini Tendering Procedure on the basis of this Framework Agreement.
Minister of Transport Affairs

Road transport of round wood
Case no: 0466-00036
Date: 31 May 2016

Mini Tendering Procedure: means the Contracting Authority's request for a tender on transport of a specific volume of round wood from forest to recipient, cf. clause 7.

Recipient: usually means customer, port, ship or railway.

Party: means the Contracting Authority or the Supplier, together referred to as the "Contracting Parties".

Round wood: means the goods to be transported. Round wood means tree trunks and branches of varying lengths, as specified in the specification of requirements, cf. Annex 1.

Framework Agreement: means this framework agreement with annexes.


3. THE SUPPLIER'S SERVICES

The Supplier shall satisfy all requirements and descriptions in this Framework Agreement and the attached annexes. A successful Supplier in a Mini Tendering Procedure shall carry out the work described in the Mini Tendering Procedure within the deadlines specified. Deadlines are notified in connection with Mini Tendering Procedures and/or regularly in a contract period.

The Contracting Authority may, at all times, demand that the Supplier present documentation or in other ways prove that the work meets the requirements and descriptions mentioned.

4. COOPERATION

The Contracting Parties are obligated to do their best to ensure constructive cooperation. There may be short deadlines from issuing an order under a contract until commencement of the work. This will impose great demands on communication and flexibility from both the Contracting Parties. Therefore the Contracting Parties shall continually inform one another about any conditions deemed significant for appropriate realisation of this Framework Agreement.

In Annex 3, the Supplier has designated a contact person with responsibility for regular dialogue with the Contracting Authority.
5. EMPLOYMENT AND ENVIRONMENTAL CONDITIONS

5.1 Labour clause

1 The Danish Nature Agency is obligated to ensure that a contract work holder (the Supplier and its Subcontractors) guarantees pay (including special allowances), working hours and other conditions of labour to their workers which are not less favourable than those applying for work of the same nature according to collective agreements between the most representative social partners in Denmark and which apply for the entire Danish territories, cf. ILO Convention no. 94 on labour clauses in public contracts, and Circular no. 9471 of 30 June 2014 on labour clauses in public contracts.

2 The Supplier is obligated to ensure the pay and conditions of labour mentioned above for workers employed, and the Supplier is obligated to inform the workers of the relevant labour conditions. The workers shall be entitled to take legal action against the Supplier pursuant to this provision.

3 If the Supplier fails to comply with the requirements mentioned above, and if this means a justified claim for additional wages from the workers, the Contracting Authority has the right to retain remuneration due to the Supplier in order to ensure the workers the conditions of employment mentioned.

4 The Contracting Authority may, at all times, request relevant documentation that pay and conditions of labour for employees meet this obligation. The Supplier shall, following a written demand, procure relevant documentation from its own as well as any subcontractor's employees. The documentation shall be received by the Contracting Authority by no later than five working days after receipt of the demand. Relevant documentation may be payslips, payroll accounts, work permits and employment contracts or proof of employment.

5 On establishment of the Framework Agreement, a special declaration from the contract work holder shall be submitted (Annex 4).

6 In cases where the Supplier and any subcontractors have entered into or acceded to an existing Danish collective agreement, this shall be documented in connection with establishment of the Framework Agreement.

7 If the Supplier and any subcontractors are not covered by the above, a declaration from the employees (Annex 5) shall be submitted separately for each employee. The declaration(s) shall be signed by the Supplier and the employee.

8 The work cannot be commenced until the declarations/documentation above have(s) reached the Contracting Authority.

9 If the Supplier and any subcontractors have not entered into a public collective agreement, time spent shall be recorded regularly at employee level.
10 If the conditions mentioned in the declaration from the contract work holder and/or employee(s) are changed, the Contracting Authority shall be notified about this immediately.

11 The Supplier should contact the labour-market organisations for information about Danish pay and working conditions for elaboration on the requirements of this labour clause on ordinary pay and working conditions. Addresses of relevant organisations are available on the Danish Nature Agency website: http://naturstyrelsen.dk/annonceringer/udbud/krav-til-loen-og-arbejdsvilkaar/

5.2 Environmental and safety and health management

The Contracting Authority shall be certified according to the FSC and PEFC schemes, and the Supplier is obligated to meet applicable regulations for both schemes. The general regulations are available on the internet at www.fsc.dk and www.pefc.dk.

Among other things, the regulations mean that:

- work shall be carried out with the least possible environmental impact,
- facilities for the public shall not be damaged,
- consideration shall be taken to visitors to the forests during the performance of Work,
- pollution with chemicals, fuels and hydraulic oils shall be prevented,
- work shall be carried out in accordance with applicable Danish safety and health at work regulations, including the Working Environment Act (Consolidating Act no. 1072 of 7 September 2010 or later) and any instructions from the Danish Working Environment Authority shall be followed unconditionally. Furthermore, statutory safety equipment and safety clothing shall be used.

6. REQUIREMENTS AND GUIDELINES FROM THE AUTHORITIES

Work shall take place in accordance with, and in compliance with, such legal requirements as apply to the field in question at the time, i.e. relevant Danish legislation, international, European and/or national standards and practice, as well as any internal guidelines adopted by the Contracting Authority and provided to the Supplier during the period of this Framework Agreement. The Supplier shall comply with relevant legislation for employees, including legislation about residence permits, proof of employment and tax.

For carriage to a country outside Denmark, the provisions laid down in the CMR Act, cf. Consolidating Act no. 1122 of 18 September 2015 or later shall take precedence over this Framework Agreement, and only conditions not regulated by the CMR Act shall be regulated according to this Framework Agreement.

At the request of the Contracting Authority, the Supplier shall also, at all times, be able to document having obtained the licences necessary for the project. This includes a valid EU
qualification certificate for road haulage drivers as well as carrier's permit corresponding to the Community authorisation issued according to EU Regulation no. 1072/2009.

7. **PROCEDURE FOR ENTERING INTO CONTRACTS**

7.1 **Mini tendering procedures**

Specific contracts between the Supplier and the Contracting Authority will be established regularly, and as far as possible on the basis of Mini Tendering Procedures and the Contracting Authority will request a tender for transport of a specific quantity of round wood from one or more forests to one or more recipients.

In connection with Mini Tendering Procedures, the specific quantity of round wood will be stipulated for which an agreement is requested for a given period. Every endeavour will be made for the contract period to be six months for haulage to ports, freight yard areas, Herningværket and industrial facilities and 12 months for haulage to storage, but the Contracting Authority is free to choose shorter or longer contract periods if this is deemed more appropriate.

The following are examples of the intervals and quantities within which mini tendering procedures will usually apply. Quantities will usually be very large or very small:

- Sub-contract 1, Zealand Either 1,000 to 4,000 CSVs or 20,000 to 35,000 CSVs.
- Sub-contract 2, Jutland and Funen Either 1,000 to 4,000 CSVs or 18,000 to 28,000 CSVs.
- Sub-contract 3, Bornholm: 1,000 to 10,000 CSVs.

The above intervals are by no means binding on the Contracting Authority, and other intervals than those above will therefore be possible.

The contracts offered in Mini Tendering Procedures will be framework contracts in which the quantities stated are an estimate of the expected procurement in the contract and such estimate is either not binding on the Contracting Authority to order transport of a specific quantity, or the Contracting Authority only binds itself to order transport of part of a quantity.

Mini Tendering Procedures will take place according to the following procedure:

- The Contracting Authority specifies the terms and conditions applicable for the contract put out to tender.
- The tender documents are forwarded to all suppliers accepted for the sub-contract.
- Mini Tendering Procedures will mostly be issued during the periods December/February and June/August. Mini Tendering Procedures concerning haulage for a half-year may however be issued earlier and later.
- A deadline for submitting a tender shall be set that is appropriate in respect of the scope of haulage. To a limited extent, e.g. in the event of a sudden unexpected haulage requirement, Mini Tendering Procedures with a very short deadline may occur where
work is to be commenced immediately following the deadline.

- On the basis of a Mini Tendering Procedure, the Supplier may quote a price for transport of an estimated amount of KFM round wood within the distance zones set by the Contracting Authority as relevant for the work to be performed according to the contract put out to tender. The distance zones are broken down into 10-kilometre intervals (0-10 km, 11-20 km etc.).

- In each Mini Tendering Procedure, the distance zones will be individually weighted with percentage weights estimated by the Contracting Authority to be the most likely outcome during performance of the specific contracts. The Contracting Authority will multiply prices by these weights and calculate the overall weighted price per KFM Round wood for all distance zones. The total weighted price will be the sum of the weighted prices per KFM for the individual distance zones.

- A contract is awarded to the Supplier which has submitted the most economically advantageous tender. Such tender will be identified on the basis of the award criteria "price" and will be the tender with the lowest, total weighted price.

Around 1 December and 1 June, the Contracting Authority will endeavour to send a non-binding summary of expected mini tendering procedures for the upcoming half year.

At the time when Mini Tendering Procedures are issued, the Contracting Authority will not necessarily have a full overview of the exact time that quantities in the tendered contract are to be transported. In the absence of such overview, specific orders for specific quantities with specification of loading and unloading addresses will be issued regularly during the contract period. Furthermore, orders will stipulate deadlines for the Supplier to meet in connection with the transport. Even in this situation, changes may occur due to changes in production rates caused by e.g. weather conditions, and this will require close, ongoing dialogue between the Contracting Authority and the Supplier.

In connection with Mini Tendering Procedures encompassing haulage within Danish borders, higher prices than the maximum prices offered in the Framework Agreement may not be bid. If relevant, a separate price for Mini Tendering Procedures will be requested for haulage outside Danish borders.

In Mini Tendering Procedures, the Contracting Authority shall provide information regarding how distance zone prices are weighted in the calculation of the most economically advantageous tender. Weights are applied in relation to distance zones, and, as not all distance zones will be relevant, in relation to the type of wood covered by the Mini Tendering Procedure (e.g. stumpwood, short timber etc.) if the Contracting Authority estimates that the differences in wood types may be grounds for a differentiated distance-zone prices.

A contract will include quantities where the deadlines and/or collection and destination sites are as yet unknown at the date of establishment of the contract.
In exceptional cases, e.g. on forest storm damage, the Contracting Authority shall be entitled to reallocate work. The Supplier will continue to be ensured the quantities agreed in the Contract, but the Contracting Authority may change collection and destination sites, although this will be restricted to the geographical area included by the sub-contract, i.e. Zealand, Jutland/Funen or Bornholm.

Contracts shall be signed by both parties to be valid.

Contracts shall be subject to the provisions in this Framework Agreement with annexes. Any derogations from or additions to the Framework Agreement will be stated in specifications in Mini Tendering Procedures.

Until a Mini Tendering Procedure has been concluded with the final establishment of a contract, the Contracting Authority reserves the right to cancel the Mini Tendering Procedure, and thereafter possibly to initiate a new Mini Tendering Procedure, if there are no non-objective grounds for cancellation. Any cancellation will be announced by letter to all tenderers detailing the reason for the cancellation.

The Supplier is not be entitled to make significant reservations in respect of fundamental elements in the documents for a Mini Tendering Procedure or the overall basis of agreement. The Contracting Authority will assess the significance of any reservations.

The Contracting Authority shall reject any tenders that contain significant reservations in respect of fundamental elements. Such tenders shall be regarded as non-compliant. Reservations regarding timetables will always be considered as significant reservations.

Any reservations that do not relate to fundamental elements will be priced by the Contracting Authority, with the resultant price being added to the Supplier’s tendered price. The Contracting Authority is entitled to not consider such tenders, however.

Any reservations shall be stated clearly.

7.2 Direct award

In the event that it is not possible to submit valid tenders for a contract under a mini tendering procedure, the Contracting Authority may award the contract directly as follows:

Step 1: Attempts will first be made to award the contract through a cascade model in which the no. 1 Supplier in the cascade is given first option to enter into the contract and in which settlement for work completed is in accordance with the no. 1 Supplier’s maximum prices. In such case, the ranking in the cascade will be calculated on the basis of the Suppliers’ total, weighted maximum prices, where the weights are the those assigned to the distance zones in the relevant Mini Tendering Procedure. No. 1 in the cascade will then be the supplier with the lowest overall weighted maximum prices, no. 2 the next lowest, etc. If the no. 1 Supplier does not wish to enter into a contract, no. 2 Supplier will be offered the contract, and so on. The final Supplier in the cascade to be asked will be the Supplier whose overall, weighted maximum price
is no more than 15% higher than the overall, weighted maximum price of the cheapest Supplier. In step 1, a Supplier can choose to accept a smaller part of a tendered contract, and this may result in more than one contract being established for the work in the Mini Tendering Procedure.

Step 2: If, after completion of step 1, some of the original contract offered for tender has not been agreed, the Contracting Authority may order a Supplier to enter into a contract to transport up to 5,000 CSVs. Such order will only be issued in connection with a Mini Tendering Procedure in the periods December to February and June to August, and the order will be issued by no later than 15 working days after expiry of the deadline for submission of tenders for the relevant Mini Tendering Procedure. A Supplier may only be ordered to accept a contract directly in the way described above once in connection with each of the periods December to February and June to August. A Supplier that has already won a Mini Tendering Procedure cannot accept an order to perform further work in the period. A Supplier that, after step 1, has accepted transport of a small quantity of less than 5,000 CSVs may, under step 2, be ordered to transport an additional maximum of up to the 5,000 CSVs. The supplier ordered to transport the first 5,000 CSVs will be the no. 1 Supplier in the cascade not subject to any of the above reasons for not being in a position to accept an order. The next 5,000 CSVs will be ordered from no. 2 in the cascade etc. until the full quantity subject to tender has been covered. The ranking in the cascade will be calculated in the same way as under step 1.

However, in a situation in which no tender is submitted in a mini tendering procedure, the Contracting Authority may decide to instigate step 1 and/or step 2 and instead enter into an agreement with any Supplier outside this Framework Agreement. Step 1 and 2 may also be applied after the Contracting Authority has first tried to cover its requirements with Suppliers outside this Framework Agreement.

8. PRICES AND PAYMENT CONDITIONS

8.1 Prices

When submitting a tender in a Mini Tendering Procedure, the Supplier shall provide information about the prices required by the Supplier for performance of the contract covered by the Mini Tendering Procedure. The Supplier's prices for Mini Tendering Procedures may not exceed the maximum prices within each distance zone, cf. Annex 2.

Maximum prices and prices quoted in connection with Mini Tendering Procedures for specific contracts shall be unit costs for transporting 1 CSV round wood within Danish borders and shall cover all costs associated with the work, unless otherwise indicated in the Mini Tendering Procedure, including all fees and taxes.

The price for a distance zone shall cover transport in the interval from loading up to and including unloading anywhere within the relevant distance zone. A price of DKK 90 in the interval 101-110 km means that the Supplier's remuneration amounts to a total of DKK 90 for loading and unloading as well as transport between the loading and unloading sites and where the total transport distance is 106 km.
Maximum prices shall be stated in DKK and tenders in Mini Tendering Procedures shall also quote prices in DKK.

8.2 **Price adjustments**

The maximum prices, cf. Annex 2, will be regulated once a year by the Contracting Authority around 1 March. Regulation will be proportionate to the percentage change in the Statistics Denmark sub-index “Haulage by heavy goods vehicles”. The index is a sub-index to the cost index for plant and is available at this link: [www.statistikbanken.dk/byg61](http://www.statistikbanken.dk/byg61) (In Danish). Q3 in 2016 will be used to start, and the first regulation index will be Q3 in 2017. The first regulation will take place when Statistics Denmark has published the index for Q3 2017, after which the Contracting Authority will submit the regulated prices to the Supplier.

In the event of significant changes to relevant Danish taxes, rates may be adjusted extraordinarily by the financial net consequence thereof so that the Supplier’s position is left unchanged. Whether such regulation is to take place shall be at the sole discretion of the Contracting Authority.

8.3 **Invoicing**

Invoicing shall take place pursuant to the Act on Public Payments etc. (Act no. 798 of 28 June 2007) or later, and the regulations which have been issued or which are issued on the basis of the Act. All invoicing shall be electronic, free of charges and at no cost to the Contracting Authority.

Invoicing shall take place to EAN number: 5798000860483, att.: Jette Toftdahl Jensen.

Electronic invoicing may e.g. take place on a NemHandel invoicing form from [www.virk.dk](http://www.virk.dk).

An invoice shall be forwarded for each completed shipment or block train. For other haulages (e.g. storage haulage and individual rail wagons) an invoice shall be sent once every calendar month.

Each stack of round wood shall be settled on a separate invoice line with the following information:
- Stack number, quantity, name of forest, number of kilometres hauled, unit cost and total price.

Name of destination (e.g. name of port or platform) must be stated, e.g. in a headline, however, such that the destination for each invoice line is clearly stated.

An invoice may only be sent for complete stack haulage.
Photo measurements by the Contracting Authority will form the basis for the quantity of the stack and, therefore, only the quantity, in KFM, stated in the measuring list may be settled less, however, any residues re-measured by the Contracting Authority.

8.4 **Payment**

The amount due shall be paid by no later than 30 days following the invoice date.

If the details on the invoice are incomplete, or if the invoice is not sent electronically, the Contracting Authority has the right to withhold payment until a satisfactory invoice has been received correctly.

If the invoiced price is not in compliance with the price listed in the Mini Tendering Procedure, the Contracting Authority may demand to receive credit notes and repayment of any amount overpaid within five Working Days.

The Contracting Authority shall be entitled to set off any claim on the Supplier, including compensation claims, penalties and overpaid remuneration, against the remaining amount due to the Supplier under any agreement that the Contracting Authority has with the Supplier.

In the event of late payment, the Supplier may charge interest pursuant to the provisions of the Danish Interest Act. The Supplier is not entitled to demand charges for sending reminders.

9. **BREACH OF CONTRACT**

9.1 **General**

Unless otherwise provided in the provisions of this Framework Agreement, the rights of a Contracting Party in relation to a breach by the other Contracting Party shall be governed by the general rules of Danish law.

9.2 **Delay**

There is a delay if the Supplier fails to deliver at the agreed time.

If the Supplier expects a delay, the Supplier shall inform the Contracting Authority immediately, in writing, about the reasons for the delay, the expected duration of the delay and the measures taken to mitigate the delay. The Supplier is always, regardless of the reason, obligated to attempt to limit a delay, e.g. by using subcontractors.

Where the Supplier’s work is delayed due to inadequate involvement on the part of the Contracting Authority, the Supplier shall immediately advise the Contracting Authority of the matter. If the Contracting Authority is not immediately advised, the Supplier shall lose the right to lodge objections on the basis of delays that are due to this circumstance.
Otherwise, the general rules on delay set out in Danish law apply, including the right to claim compensation. Delayed delivery to railway, ship or chipper may, for example, entail that the Contracting Authority shall pay for unutilised capacity.

9.3 **Deficiencies**

There will be deemed to be deficiencies if the Supplier’s performance of the work fails to meet the requirements stated in the Framework Agreement and its annexes or if work otherwise fails to live up to what the Contracting Authority might legitimately have expected.

In the event of deficiencies, the Supplier shall take all necessary measures to rectify the deficiencies as soon as possible.

The Contracting Authority is at liberty to require a proportionate reduction in the total fee to which the Supplier is entitled under the Framework Agreement, if the Supplier has not arranged for the deficiencies to be rectified as soon as possible.

9.4 **Loss, impairment or damage**

The Supplier shall be responsible for loss, impairment or damage to round wood occurring from the time of commencement of loading the round wood and until it is delivered at the destination.

The Supplier's responsibility for a stack of round wood shall begin at the time of commencement of loading of the stack. If the Supplier is in doubt as to quantities and similar, the Contracting Authority shall be contacted immediately and a decision regarding the onward process shall be taken, including the necessity for new measurements.

The Supplier shall replace lost round wood. The amount of compensation shall be calculated according to the sales value of the round wood at the time when the Supplier had the round wood in its charge.

If the Supplier has fully replaced the round wood, the right of ownership shall, upon request, pass on to the Supplier.

9.5 **Commencement of liability**

Liability for delay under clause 9.2, deficiencies under clause 9.3 or loss, impairment or damage under clause 9.4 shall not enter into force if the matter is due to:

a. errors or neglect by the Contracting Authority,

b. wrongful or incomplete information about the round wood from the Contracting Authority,

c. changes in the nature and scope of the work required by the Contracting Authority,

d. conditions of the Contracting Authority (e.g. that the Contracting Authority closes forest roads to the point of loading due to a sudden thaw),
9.6 Termination

The Contracting Authority may terminate both the Framework Agreement and underlying contracts immediately in the event of serious breach by the Supplier.

The seriousness of the breach shall be assessed on the basis of the location of the work, the nature of the breach, the risk of recurrence and the impact of the breach on the Contracting Authority.

The following conditions are considered to be material breach of contract and entitle the Contracting Authority to cancel the order issued during performance of a contract wholly or partly and with immediate effect:

- If the Supplier is in breach of its delivery obligations, cf. clause 3, and the Supplier has not rectified the deficiencies within a reasonable time after receiving a written demand to do so.
- If the Supplier fails to deliver at the agreed time.
- If the Supplier has invoked force majeure.

The following conditions are always considered to be material breach of contract and entitle the Contracting Authority to cancel the Framework Agreement and/or underlying contracts with immediate effect:

- If significant deficiencies and/or delays occur repeatedly.
- If breaches that do not constitute material breaches when considered separately are deemed material by the Contracting Authority when considered together.
- If the work is not carried out in accordance with Danish and relevant European or international legislation or in accordance with guidelines adopted by the Contracting Authority, either as enclosed with the tender documents or as supplied in the period of the Framework Agreement, and if the Supplier has not rectified the deficiencies within a reasonable time after receiving a written demand to do so. Examples of this are if the
work is not carried out in accordance with EU Regulation no. 1072/2009 on common rules for access to the international road haulage market, or if the Supplier loses or fails to obtain the licences necessary for the work.

- In the event of reach of the Danish Nature Agency's labour clause, cf. clause 5.1 or if the Supplier fails to obtain relevant documentation in relation to the labour clause.

- If the Supplier receives a written demand to resolve a breach within a specified, reasonable deadline and this deadline was not met.

- If the Supplier is declared bankrupt, unless the administrator declares without undue delay, on the basis of a written request from the Contracting Authority, that the estate should enter into the Framework Agreement.

- If the Supplier is made subject to debt restructuring.

- If the Supplier initiates composition negotiations or there is a significant deterioration in the Supplier’s financial situation in general which jeopardises due and proper performance of the Framework Agreement.

- If the Supplier ceases the activities covered by this Framework Agreement or other circumstances arise that bring the correct performance of the Framework Agreement into serious jeopardy.

10. **THE SUPPLIER'S OBLIGATION TO PAY COMPENSATION**

The Supplier shall be liable to pay compensation to the Contracting Authority under the general rules of Danish law. The obligation to pay compensation shall not extend to operating losses, lost profits or other indirect losses, but shall include losses of value caused by failure to transport agreed amounts of roundwood.

The Supplier shall also be liable to pay compensation for additional costs incurred by the Contracting Authority in the event of overloading or underloading railway wagons, inadequate preparation of freight wagons and damage to freight wagons or railway loading areas.

11. **INSURANCE**

For the entire term of the Framework Agreement, the Supplier shall maintain carrier indemnity insurance covering liability for claims for lost or damaged wood and to cover claims that are in reasonable proportion to the value of the transported round wood.

The Supplier has general employer liability pursuant to Danish law for the employees allocated to the task and shall maintain indemnity insurance covering the Supplier's liability for damages for the entire term of the Framework Agreement.
Any allocated person who, under the terms of the Framework Agreement, is to perform work for the Contracting Authority, notwithstanding whether said person is employed by the Supplier, by a subcontractor, or works on a freelance or similar basis, shall be covered by a professional indemnity insurance policy with an insurance sum of no less than DKK 5,000,000 for personal injury and property damage. The Supplier undertakes to ensure that this cover is in place at all times.

The Contracting Authority may ask the Supplier at any time to forward documentation to show that the insurance requirement has been met.

The Supplier shall, without delay, inform the Contracting Authority in writing if the insurance is terminated, or if claims are made on the insurance by another party of material importance to the possibility of the Contracting Authority to be covered, or if the insurance otherwise is not in force, regardless of the reason.

12. **CONSORTIUM OR GROUP**

If the Supplier is a group of enterprises (e.g. a consortium), the participating enterprises shall be jointly and severally liable for fulfilment of the Framework Agreement.

The Supplier has designated a joint authorised representative for the participating enterprises of the group. The Supplier shall be authorised to take decisions on behalf of the participating enterprises about any matters relating to the Framework Agreement. The joint authorised representative shall also be contact person for the Supplier, cf. Annex 3.

13. **THE CONDITIONS OF THE CONTRACTING AUTHORITY**

Any breach of contract by the Contracting Authority is subject to the general rules of Danish law. Operating losses, lost profits or other indirect losses will not be reimbursed.

14. **DELAYED OR CANCELLED DELIVERABLES**

Situations may arise where the Contracting Authority is not in a position to make the quantity of round wood available for transport at the agreed time for which a contract has been established or for which an order has been issued. This may happen if a round wood customer closes for receipt of deliverables, if an ocean freight is delayed, or if the Contracting Authority finds it necessary to close down forest roads for a period. Other similar, valid situations may occur. In such cases, the Supplier will not be entitled to any form of compensation apart from remuneration for already transported quantities.

In such cases, the Contracting Authority shall be obligated to notify the Supplier about the delay by all appropriate means.
In the event of significant delay the Supplier shall be entitled to withdraw from the part of the contract that concerns the delay. If, in such cases, the Supplier wishes to withdraw from a part of a contract, this shall be communicated to the Contracting Authority by all appropriate means.

15. **FORCE MAJEURE**

Neither the Supplier nor the Contracting Authority may be held responsible by the other Contracting Party under this Framework Agreement for circumstances beyond their control which they could not on signing the Framework Agreement have considered, avoided or overcome. Circumstances at the Supplier that it is able to prevent by taking the customary and reasonable precautions are not to be considered force majeure, including those relating to internal strikes and illness.

Force majeure in the event of delay may only be invoked for the number of working days that the force majeure situation persists. Where a deadline for the Supplier is deferred because of force majeure, the payments relating to this deadline will be deferred accordingly without entitling the Supplier to any claim for interest.

Force majeure may only be invoked if the affected Contracting Party has given written notification thereof to the other Contracting Party by no later than ten working days after the onset of the force majeure situation.

The Contracting Party not affected by the force majeure situation is entitled to terminate contract established if the agreed deadline is exceeded by twenty working days as a consequence of the force majeure situation. In the event of termination of this nature, the Supplier is entitled to remuneration for services that have already been delivered prior to the onset of the force majeure situation. There will then be no further claims between the Contracting Parties pursuant to the Contract.

16. **CONFIDENTIALITY**

The Supplier, its staff and any subcontractors shall observe unconditional confidentiality in relation to any information of which they become aware in connection with the performance of this Framework Agreement. The duty of confidentiality shall cover, but not be limited to, information regarding quantities hauled, destinations, customers, prices and other matters of a commercial nature. The duty of confidentiality shall also extend to after cessation of the Framework Agreement.

The Supplier may not, without prior written consent from the Contracting Authority, issue public communications about this Framework Agreement or publish any of the contents of this Framework Agreement or the contents or results.
The Supplier may not use the Contracting Authority as a reference without the Contracting Authority’s prior written consent. The Supplier is, however, entitled to include the Contracting Authority in a simple list of references.

17. **Subcontractors**

If the Supplier intends to use subcontractors in connection with the work, the Supplier shall, in connection with a tender for a Mini Tendering Procedure, specify the subcontractors, as well as which parts of the work the subcontractors are to undertake.

In Annex 3 (the Supplier’s staffing), the Supplier has also provided the names, contact details and details of the legal representatives of the subcontractors intended to be used in connection with performance of the Framework Agreement.

To the extent that the Supplier bases its completion of the Framework Agreement on the capacity of other legal entities pursuant to section 144 of the Danish Public Procurement Act, this will also be stated in the support declaration, which was completed in connection with the procurement process (Annex 3 of the tender documents). The legal entity whose resources are referred to in Annex 3 of the tender documents is liable for performance of the Framework Agreement in accordance with the Annex.

The Supplier has either provided the aforementioned information at the time of submitting its tender on the Framework Agreement or on tendering for a contract. Where the subcontractor was not known at the time a tender was submitted, the information shall be communicated to the Contracting Authority without undue delay once the subcontractor has been appointed. This also applies if a new subcontractor is appointed as a replacement for a previous subcontractor.

Finally, the Supplier shall, without undue delay, notify any change in the subcontractor’s details. The Contracting Authority shall consequently be in possession of information on the names, contact details and the legal representatives of the subcontractors associated with performance of the task at any time during the duration of the Framework Agreement.

The Supplier may not replace a subcontractor without prior written consent from the Contracting Authority. The Contracting Authority may not refuse such consent without reasonable cause.

The Supplier is responsible for work performed by subcontractors in the same way as if the work in question had been performed by the Supplier itself. The Supplier’s use of subcontractors does not entail any limitation to the Supplier’s liability in respect of fulfilling the requirements of the Framework Agreement.

The responsibility for correct fulfilment of the Framework Agreement rests on the Supplier such that the Supplier is liable for services from subcontractors in the same way as for its own matters.
In accordance with the contractual basis, subcontractors may not make any claims against the Contracting Authority, either for payment or for compensation.

18. **TRANSFER**

The Contracting Authority may transfer its rights and responsibilities under this Framework Agreement to another public body or to a publicly-owned institution or one that is primarily operated on public funds.

The Supplier may not transfer its rights and obligations pursuant to this Framework Agreement to a third party, in part or in whole, without prior written consent from the Contracting Authority.

19. **DURATION AND TERMINATION**

19.1 **Period:**

The Framework Agreement will come into effect on 1 October 2016 after signature and will run until 30 September 2017, after which it will lapse without further notice.

The Framework Agreement may be extended by the Contracting Authority following three month's written notice to the Supplier. Extension may take place three times, each time with up to one year's extension. Final deadline for notice in a year is 30 June.

This Framework Agreement may be terminated by both Contracting Parties at six months' notice in writing to a 30 June or 31 December.

Contracts entered into within the term of this Framework Agreement may extend beyond the term of this Framework Agreement. In such case, the provisions of the Framework Agreement shall continue to apply for the contractual relationship. The Framework Agreement shall finally lapse when all contracts have been completed.

19.2 **Termination in the event of the Contract being declared null and void**

Pursuant to the Danish Act on the Complaints Board for Public Procurement etc., the Complaints Board for Public Procurement may, in a specific case of violation of the procurement regulations, declare a framework agreement or contract that has been entered into null and void and order the contracting authority to bring the framework agreement or contract to an end within the time limit set by the Complaints Board.

In light of the above, the following provisions are laid down concerning the Contracting Authority’s right to terminate the Framework Agreement or a Contract in such a situation.
The Contracting Authority is entitled to terminate the Framework Agreement or a Contract in full or in part with a period of notice that is in accordance with the order issued by the Complaints Board for Public Procurement or the courts. On termination, therefore, the Framework Agreement or the Contract will expire in full or in part as set out in the order with effect from the date the order takes effect.

Where the order as issued contains further conditions or requirements, the Contracting Authority is entitled to incorporate these conditions or requirements in the termination in respect of the Supplier, provided there are material grounds for so doing. In such an event, the Supplier shall comply with the said conditions or requirements.

In the event that the Contracting Authority terminates the Framework Agreement or a Contract as a result of the Framework Agreement or a contract being declared null and void, or resulting from an order of termination, the Supplier shall be entitled to remuneration for work done up to the date on which the termination takes effect. In addition to this, the Supplier shall not be entitled to any form of compensation, including remuneration, loss of goodwill, operating losses, loss of profits, indirect losses or consequential losses, etc.

19.3 Termination in the event of annulment

Pursuant to the Danish Act on Tender Procedures for Public Works Contracts, the Complaints Board for Public Procurement or ordinary courts of law may annul an award decision in the event of a final decision or judgement. The contracting authority must then bring any framework agreement or contract entered into on the basis of the award decision to a close, serving a suitable period of notice, unless there are special circumstances that dictate the framework agreement or contract be continued.

In light of the above, the following provisions are laid down concerning the Contracting Authority’s right to terminate the Framework Agreement or a Contract in such a situation.

The Contracting Authority is entitled to terminate the Framework Agreement or a Contract in full or in part with a suitable period of notice. The Framework Agreement or the Contract will accordingly lapse in full on termination.

In the event that the Contracting Authority terminates the Framework Agreement or a Contract as a result of the Framework Agreement or a contract being declared null and void as a consequence of annulment of the award decision, the Supplier shall be entitled to remuneration for work done up to the date on which the termination takes effect. In addition to this, the Supplier shall not be entitled to any form of compensation, including remuneration, loss of goodwill, operating losses, loss of profits, indirect losses or consequential losses, etc.

20. AMENDMENTS AND INTERPRETATION

This Framework Agreement may only be amended by written agreement between the Contracting Authority and the Supplier, which will be appended to the Framework Agreement.
as an addendum. Such changes shall be numbered consecutively and prepared in two copies, of which each Contracting Party is to receive one copy.

Provisions contained in the tender documents, the Supplier’s tender and correspondence prior to signing the Framework Agreement, or similar items that are not reproduced in this Framework Agreement, may not be subsequently invoked as a basis on which to interpret the Framework Agreement.

Reference to the Framework Agreement or one of its provisions will also include the Annexes to the Framework Agreement, or those of the Framework Agreement’s Annexes that are relevant to the provision in question.

In the event of a discrepancy between the Framework Agreement and its Annexes, the Framework Agreement shall take precedence.

21. **CHOICE OF LAW AND LEGAL VENUE**

This Framework Agreement is subject to Danish law.

Where there is a dispute between the Contracting Parties in relation to this Framework Agreement, they shall institute negotiations with a view to resolving the dispute, which they shall enter into with a positive, co-operative and responsible attitude.

If the Contracting Parties themselves are unable to resolve any disagreements the Contracting Parties agree to seek to have the matter resolved by mediation from an expert and valuer appointed by the Contracting Parties together.

Where it is not possible to resolve a disagreement between the Contracting Parties by negotiation, the dispute shall be bindingly settled by arbitration in accordance with the “Rules for the resolution of arbitration cases at the Danish Institute of Arbitration”.

The arbitration is to take place in Copenhagen and conducted in Danish.

22. **OTHER PROVISIONS**

22.1 **Deprivation of rights**

If a Contracting Party waives its rights pursuant to a provision in this Framework Agreement this shall not mean that theContracting Party also waives its rights pursuant to other provisions in this Framework Agreement or the same provision at another occasion. If a Contracting Party fails to enforce a provision in this Framework Agreement, this shall not mean that the Contracting Party waives the provision or other provisions in this Framework Agreement or pursuant to applicable legislation.
22.2 **Unclarities, obstacles or similar conditions**

If the Supplier finds that the work cannot be carried out in accordance with this Framework Agreement, the Supplier shall notify the Contracting Authority as soon as possible and follow instructions from the Contracting Authority.

The Supplier shall notify the Contracting Authority as soon as possible in the event of circumstances that prevent or complicate the work or make it likely that the Contracting Authority is subject to inconvenience or loss, including liability to a third party. If there is no time to collect instructions from the Contracting Authority, the Supplier shall, in return for necessary extension of deadlines and against payment, take the best possible measures to prevent any losses to the Contracting Authority.

22.3 **Use of languages**

All communication between the Contracting Authority and the Supplier and the drivers working for the Contracting Authority shall be in Danish or in English unless otherwise agreed in writing with the Contracting Authority.

Annexes of a general nature may, however, be in Danish, English, German, Swedish or Norwegian.

22.4 **Partial invalidity**

If one or more provisions in the Framework Agreement or underlying contract provisions is/are declared invalid in full or in part, this will have no influence on the validity of the Framework Agreement or underlying contracts otherwise. In such event, the Contracting Parties and/or the arbitral tribunal shall, as soon as possible, lay down a valid provision to replace the wholly or partly invalid provision with essentially the same content and effect such as to ensure that the Contracting Parties are, as far as possible, in a position which allows compliance with the intentions of this Framework Agreement, the underlying contracts and later amendments.

22.5 **Third-party rights**

Other than the Contracting Parties, no third party may rely on this Framework Agreement or underlying contracts.

22.6 **STAND-ALONE AGREEMENT**

The Contracting Parties agree that clause 19.2 of the Framework Agreement (termination in the event of the Contract being declared null and void) constitutes a stand-alone agreement between the Contracting Parties that applies regardless of whether the Framework Agreement in general is declared null and void.
23. SIGNATURES

This Framework Agreement is signed in duplicate, with one copy being retained by the Contracting Authority and the other by the Supplier.

Date: ___________________________                Date: ___________________________

Contracting Authority       Supplier