

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

CALL FOR TENDER

OECD/ICT/EXD/PCM/PAC/PUB/04/172

FOR

THE FULFILMENT, DISTRIBUTION AND CUSTOMER SERVICES

Closing date: 13th December 2004 – 11h00 Paris time

FOREWORD

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ARTICLE 1 - ABOUT THE OECD

The OECD groups 30 member countries in a unique forum to discuss, to develop and refine economic and social policies. They compare experiences, seek answers to common problems and work to co-ordinate domestic and international policies to help members and non-members deal with an increasingly globalised world. Their exchanges may lead to agreements to act in a formal way. The OECD is also known for “soft law” – non-binding instruments on issues. Beyond agreements, the discussions at the OECD make for better-informed work within member countries’ own governments across the broad spectrum of public policy and help clarify the impact of national policies on the international community.

The core of original European and North American members has expanded to include Japan, Australia, New Zealand, Finland, Mexico, Korea, the Czech Republic, Hungary, Poland and the Slovak Republic. Non-members, from Brazil, China and Russia to least developed countries in Africa, Asia and elsewhere, are participating in the work of various committees.

The OECD Secretariat directs the work of a large number of intergovernmental specialised committees, in which several thousands of delegates from National Administrations participate regularly. The main offices of the Secretariat are located in Paris, France, with a number of Information and Publications Centres located in Washington D.C., USA; Berlin, Germany; Tokyo, Japan; and Mexico City, Mexico.

The OECD is one of the world’s largest and most reliable sources of comparable statistical, economic and social data. Parts of the Secretariat collect data, monitor trends, analyse and forecast economic developments, while others research social changes or evolving patterns in trade, environment, agriculture, technology, taxation and more.

Based on the work of the Secretariat the OECD publishes between 180 and 200 new printed monographs a year, separated into 20 standing-order themes; 23 printed periodical titles; 5 Loose-Leaf binders; and various databases published on CD-Rom. At the time of writing, OECD Publishing has 3,000 titles in print and available for purchase.

All publications and databases are also published online as part of a subscription-based service called SourceOECD. SourceOECD has become OECD Publishing’s core product and 50% of all sales now have a SourceOECD component. This has shifted the balance between subscription and non-subscription sales to approximately 70% and 30%.

Near to 40% of each print run is devoted to what we call Institutional Distribution. This encompasses mainly free distribution to Delegations to the OECD, Author Directorates, Governments and others. This distribution is done internally by the OECD, but the Contractor may be required to assist in some invoicing and possibly shipping tasks.

OECD Publishing is a Division of the OECD’s Public Affairs and Communications Directorate (PAC). It is responsible for the production and dissemination of OECD publications and online services. The marketing and sales of these publications and online services take place through the OECD Headquarters, OECD Centres, leading subscription agencies and a network of more than 50 regional distributors throughout the world.

The OECD’s Budget and Finance Service is responsible for the implementation of effective accounting policies and procedures together with the establishment of accurate financial accounting records and financial reporting.

The OECD’s Information Technology and Network Service (ITN) is responsible for the delivery of effective computing and communications (ICT) services in support of the work of the Secretariat and clients in national administrations.

ARTICLE 2 - OECD CENTRES

OECD Centres play a key role in transporting the work of the OECD to their local markets. Therefore, each Centre is required to devote time to the sales and marketing of publications. Their roles encompass working with the Contractor on customer service support, accounting issues and management of key accounts. OECD Centres are not involved in order processing and fulfilment except handling direct sales to visiting customers or special events (Over-the-Counter sales).

Specific responsibilities of each Centre in the framework of sub-contracted fulfilment, distribution and customer service will be as follows:

- **Berlin Centre**
The Centre is responsible for promotion and marketing for the German language market and plays a key role in promoting and selling OECD's publications especially SourceOECD in close co-operation with local distributors and agents.
- **Mexico Centre**
The Centre is responsible for promotion, sales and marketing for the Mexican and South American market and plays a key role in promoting and selling OECD's publications especially SourceOECD services. The Mexico Centre does a certain amount of direct selling publications and processing fulfilment tasks directly. Further the Centre is asked to explore the market by working intensively with booksellers, agents and distributors.
- **Tokyo Centre**
The Centre is responsible for promotion and marketing for the Japanese and parts of the Asian market and plays a key role in promoting OECD's publications especially SourceOECD in close co-operation with local distributors and agents.
- **Washington Centre**
The Centre is responsible for promotion and marketing for the US and Canadian markets and plays a key role in promoting and selling OECD's publications especially SourceOECD in close co-operation with local distributors and agents.

SCOPE OF THE CALL FOR TENDER

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ARTICLE 1 SCOPE OF THE CALL FOR TENDER

The Organisation for Economic Co-operation and Development, Procurement and Contracts Management Division, acting on behalf of The Public Affairs and Communications Directorate's Publications Division (referred to hereinafter as "OECD"), is issuing a Call for Tender, referred to hereinafter as the "Call for Tender", in English, for the Fulfilment, Distribution and Customer Services for OECD Publications and Online Services Sales.

The Call for Tender covers all services that may have to be performed, although clearly the tenderer must only reply to this Call for Tender in respect of work that he is capable of performing within his enterprise.

The main objective is to sub-contract and to centralize, worldwide, in one hand, all fulfilment, distribution and customer services functions such as warehousing, order processing, invoicing, picking and packaging, shipping of goods, money collection and account keeping, processing of claims and producing a series of reports in order to have reliable information on sales, customers, stocks and accounts. This entails billing, accounts receivable and stock management systems for subscriptions, combined products (paper + electronic versions), online-only subscription sales, e-books, automatic distribution and ad hoc sales.

These fulfilment, distribution and customer service functions are currently sub-contracted.

ARTICLE 2 TERMS AND CONDITIONS OF THE CALL FOR TENDER

2.1 COMPOSITION OF THE CALL FOR TENDER FILE

The Call for Tender contains:

- Foreword
- Scope of the Call for Tender
- Basic Information
- General Conditions of the Contract
- Technical and Service Specifications

2.2 TENDERS

All tenders shall be treated as contractually binding and the tenderer must therefore date and sign the Technical and Service Specifications, the General Conditions of Contract and his tender, as well as all related documents (including his price proposal), and initial each page of each document.

2.3 TENDER VALIDITY

Tenders shall remain valid for 150 days from the date on which they are submitted.

2.4 ADDITIONAL INFORMATION

Should any problems arise over interpretation of the Call for Tender, a request for clarification may be sent in writing to OECD at the address below, or by e-mail to veronique.chamart@oecd.org no later than fourteen (14) calendar days before the deadline for the submission of tenders. All tenderers will be advised of the answers given to such questions.

OECD
EXD/PCM
Procurement Division
Véronique Le Marchand Chamart
Call for Tender No.: OECD/EXD/PCM/PAC/PUB/04/172
2, rue André Pascal
75775 Paris Cedex 16

2.5 ACCEPTANCE AND REJECTION OF TENDERS

OECD reserves the right to:

- Accept or reject minor shortcomings in the contents of tenders;
- Reject tenders received after the deadlines for submission, without penalty or justification; and
- Accept one or more tenders, on a non-exclusive basis, and with no commitment on the part of OECD.

There is no commitment on the part of OECD to accept any proposal or part thereof that is received in response to the Call for Tender, or that it will acquire all or part of the service proposed.

2.6 MODIFICATION AND CANCELLATION OF THE CALL FOR TENDER

OECD reserves the right to modify or cancel all or part of the Call for Tender, should the need arise, without having to justify its actions and without such action conferring upon tenderers any right to compensation.

2.7 POSTPONEMENT OF DEADLINE FOR SUBMITTING TENDERS

OECD may, at its own discretion, extend the deadline for the submission of tenders, in which case the rights and obligations of the OECD and tenderers will be subject to the new deadline, notably with regard to the duration of tender validity specified in paragraph 3.1 below

2.8 PAYMENT FOR TENDERS

No payments shall be made for tenders. OECD will make no deductions with regard to any expenditure entailed in preparing tenders in response to the Call for Tender.

2.9 AWARDED CONTRACT

When the contract is awarded, the supplier may be required to comply with the following conditions:

- The contractor shall renounce any claim in respect of reasonable hindrance or delay that may be caused to his own work on this account.
- Compensation shall in no case be paid for damage to, or total partial loss of, movable or immovable property.
- Contractors are reminded that they are subject to the laws and regulations applicable in the jurisdiction in which they are operating regarding the conduct of their enterprise, and in particular, to the rules governing health and safety at work. The Organisation reserves the right to verify that these laws and regulations are effectively applied. The Organisation cannot, however, be held responsible for any failure by the contractor to observe those laws or regulations.

ARTICLE 3 PRESENTATION, SUBMISSION AND CONTENTS OF TENDERS

3.1 TENDER PRESENTATION AND CONDITIONS OF SUBMISSION

Tenders will specify prices in euros before tax.

The OECD, being entitled by virtue of Article 6(b) of Supplementary Protocol No. 1 to the Convention of 16 April 1948, and Supplementary Protocol No. 2 to the Convention of 14 December 1960, to make its purchases free of customs duty in the member countries of the Organisation, the price quoted must be understood as being for delivery net of customs duty and net of any taxes.

Prices quoted must include everything necessary for full execution of the contracted services (transport, insurance, starting up where necessary, guarantees, etc.). Unless otherwise stated, prices quoted shall remain valid for at least four months and, once the contract signed, for one year from the start of service.

The quotation must be structured as follows:

- Implementation fee.
- Annual service fee.
- Distribution costs (postage, carriage charges, packing material etc.) based on business volumes 2003.
- Price list for possible additional services not defined in the Call for Tender.

Payments will be made in the currency of the contractor's home country or as indicated in the contract, at the conversion rate to EUROS ruling at the dates payments are due.

Tenders shall be deposited at or forwarded to the following address in three copies in a double-sealed envelope by 11.00 (Paris time), 13th December 2004, the deadline for submission of tenders:

OECD/PCM
For the attention of Mrs. Le Marchand Chamart
2 rue André Pascal
75775 Paris CEDEX 16
France

The outer envelope must be marked as follows:

DO NOT OPEN
Call for Tender No.: OECD/ICT/EXD/PCM/PAC/PUB/04/172

The inner sealed envelope, which must bear the name of the firm submitting the tender and the words "Call for Tender No. OECD/ICT/EXD/PCM/PAC/PUB/04/172", must contain the tender itself and any other supporting documentation.

Tenders may not be submitted by electronic mail or by fax.
Tenders submitted by electronic mail or by fax shall be rejected, even if they have also been submitted on paper.

Tenders arriving after the date and time specified in the Call for Tender, in an unsealed envelope and/or marked with any wording that identifies or refers to the tenderer, shall not be accepted and shall be returned to their sender.

OECD reserves the right to visit the tenderer's premises.

3.2 CONTENTS OF THE TENDER

3.2.1 Tenderers are invited to submit their proposals following the sequence of items set out below. Tenderers should also supply sample forms they propose using, and information on their computer capabilities and Internet installations.

3.2.2 The tenderer must provide the following general information:

- Name, address, phone and fax numbers, and email address.
- Officially approved Financial Statements for years Ended 31st December 2002 and 31st December 2003.

- Number of staff (customer service, accounts department, warehouse, IT department)
- Number of years in the business.
- Number of customers served.
- List of customers and customer references.

3.2.3 The tenderer must also provide the following information:

- A description of how the contractor's proposal meets or exceeds each of the specifications set out in "Technical and Service Specifications" of this Call for Tender also taking into account information provided in "Basic Information" and definitions made in "General Conditions of the Contract"; and outline what the OECD must do to support this work.
- A description of how the Contractor proposes initial implementation of services, including indicative time required for start-up of services for each function.
- A management summary, showing how the Contractor proposes to organise personnel to carry out the functions required, and showing the work flow.
- An indication of all language skills (read, spoken, written) the contractor would be able to provide with an indication of level (very good, fairly good, basic knowledge).
- An itemized list of services offered and associated costs, clearly indicating optional items, as well as an estimate of total annual costs based on the 2003 volumes specified in Basic Information of this Call for Tender.
- A listing of shipping options offered (UPS, DHL, National Postal Service, etc.) with an explanation of costs benefits, if any, passed on to the Organisation by the Contractor. Delineations of options for invoicing and payment of shipping costs.
- A listing of services the Organisation would be required to engage at its own expense to fulfil the contract.
- A description of packing materials proposed. Samples of forms to be proposed.
- A detailed description of the computer hardware and software systems used to carry out work being done under the contract.
- A detailed description how data/information is exchanged with the OECD, OECD Centres, other entitled OECD bodies, Business to Business (B2B) and to customers (B2C).
- A detailed description of the configuration of the customer-file and the ability to meet worldwide standard in address management.
- A detailed description, including samples, of already existing standard reports and of the capability to provide supplementary customised reports.
- A proposal on how to organise the transport of bulk shipments from Paris to the contractor's warehouse.
- Any other information which the Contractor considers pertinent for the successful implementation of the proposal.

ARTICLE 4 MAIN SELECTION CRITERIA

Main criteria for assessing tenders amongst others are as follows.

4.1 EXPERIENCES IN SCIENCE, TECHNOLOGY AND MEDICAL PUBLISHING BUSINESS

The Organisation expects that the Contractor has many years of experience in serving Science, Technology and Medical (STM) publishers' worldwide distribution and fulfilment requirements. The Contractor should have a proven capability in developing and delivering state-of-the-art fulfilment, distribution and customer service tasks in support of STM publications, and, in particular, can demonstrate experience in successfully dealing with online services.

4.2 HANDLING OF REQUIREMENTS FOR ONLINE SERVICES

In recent years the portion of online services business has increased significantly. SourceOECD is the core product of the Organisation. It must be emphasised that the Organisation expects the highest level of performance related to all 'Obligations and Requirements' defined in this Call for Tender for Online Services (SourceOECD).

4.3 TECHNICAL AND SERVICE SPECIFICATIONS

The Organisation expects that the Contractor meets all requirements set out in Technical and Service Specifications.

4.4 FINANCIAL HEALTH

The Organisation expects that the Contractor has documented financial health to cope with a possible awarded Contract throughout the whole term and is able to invest.

4.5 STAFF LANGUAGE SKILLS

The Organisation requires that the Contractor's customer service and accounting staff has advanced skills in speaking and in writing in the Organisation's two official languages English and French, as well as in Spanish and German. Contractor's staff being able to speak and write in Japanese would be of great advantage.

4.6 USE OF LANGUAGES FOR DOCUMENTS

All documents leaving the Contractor's premises such as invoices, credit notes, pro-forma, renewal notices, receipts, despatch notes, order acknowledgements, reminders must be in English, French, Spanish and German depending on the origin of the billing and/or shipping address.

ARTICLE 5 INFORMATION FOR TENDERERS

To the greatest extent possible, all tenderers will be informed of the decision taken with regard to their tenders.

Read and approved:

In:

Done on:

Signature by a person having authority to conclude:

BASIC INFORMATION

Closing date: 13th December 2004 – 11h00 Paris time

ARTICLE 1 BUSINESS VOLUMES IN 2003

1.1. VOLUMES

Client addresses	about 69,000; new each year: 12,500
Active client accounts	about 39,000; new each year: 10,000
Ad hoc sale lines	about 81,000; new each year: 81,000
Active subscriptions	about 21.500
Subscription and standing order lines	about 182,000; new each year: 10,000
Publications on catalogue	about 1,600; new each year: 950
Copies on stock	about 460.000; volume stable
Linear meters of storage area	about 2.600
Turnover	about Euro 11.800.000

1.2 ACCOUNTING FIGURES

Credit Account Transactions	
Invoices	13,773
Credit Notes	2,871
Pro-forma raised	6,177
Renewal Notices Raised	13,419
Reminders (credit control letters)	4,185
Credit Card Transactions	
EUR	1,214
USD	1,159
GBP	232
Sales Ledger Receipts	5,783
Cheques banked	
EUR	754
USD	1,150
MXP	0
JPY	7
GBP	235
Credit transfers to banks	
EUR	1,735
USD	18
JPY	125
GBP	199

ARTICLE 2 WORLDWIDE SHARE OF BUSINESS IN 2003

Africa	0.1%
Central and South America	3.0%
Eastern Europe	0.6%
Far East	22.0%
Indian Continent	0.1%
Middle East	0.2%
North America	26.0%
Western Europe	47.0%

ARTICLE 3 PUBLICATIONS AND ONLINE SERVICES

OECD publications are usually published in the Organisation's official languages English and French. Some titles, in particular the statistics publications are bi-lingual. Publications can also be published in several other languages such as Russian, Chinese, Spanish, Polish, German, Italian, etc.. Co-editions with other inter-governmental organisations and with commercial publishers are also in our list.

OECD Publishing releases titles under the following imprints¹:

- OECD
- IEA (International Energy Agency)
- NEA (Nuclear Energy Agency)
- ECMT (European Conference of Ministers of Transport)¹
- OECD Development Centre
- CERl (Centre for Educational Research and Innovation)
- Sahel and West Africa Club
- FATF (Financial Action Task Force)
- South-East Europe Compact

3.1 SOURCEOECD

SourceOECD is the name for OECD's online library. A subscription-based service, it also offers a print + online option. Unlike many publishers, OECD's online library offers all publication types (books, journals, loose-leaf reference works and interactive statistical databases) through a single portal. Books are offered in a choice of twenty (20) thematic collections; the twenty three (23) journals are offered in a standard e-journal form; the six loose-leaf publications are each an online reference work; and the databases are gathered into a choice of thirty two (32) thematic sets. Each of the eighty one (81) online-only services (and their French-language equivalents) is sold under an ISSN, and, if relevant, a print + online ISSN as well.

Subscribers can pick and choose from any of these eighty one (81) different services. However, OECD also offers money-saving packages: SourceOECD/Books, SourceOECD/Periodicals, SourceOECD/Statistics and IEA Statistics, and all possible combinations.

¹ All publications, save for those of the ECMT, are published under the OECD Publishing ISBN identifier. ECMT titles use a different ISBN identifier.

Other features of SourceOECD services are:

- Subscriptions run on an any-time start basis (1st month) for twelve (12) months, and we offer a three (3) months grace period.
- Access is granted to all available backlist/back issues (January 1st 1998) to all subscribers.
- Ex-subscribers maintain access to their subscribed-to content.
- Access is also offered via the main aggregation channels (Ingenta, Swets Wise, Ebsco Online et al)
- Access is controlled by IP address/range, or, if preferred, access using username/password can be arranged.
- SourceOECD is COUNTER compatible.

SourceOECD is the OECD's fastest growing product line. An estimated forty nine per cent (49%) of total turnover in 2004 is related to SourceOECD subscriptions. Half of them are online-only subscriptions (twenty one per cent (21%) of total turnover). It is expected that within the next two years the share of online-only turnover will increase to a third of the total business.

Individual Packages include SourceOECD/Books, SourceOECD/Periodicals, SourceOECD/Statistics, IEA Statistics, plus any combination of these packages

➤ **SourceOECD/Books**

Agriculture and Food
Development
Education and Skills
Emerging and Transition Economies
Employment
Energy
Environment and Sustainable Development
Finance and Investment/ Insurance and Pensions
General Economics and Future Studies
Governance
Industry, Services and Trade
National Accounts and Historical Statistics
Nuclear Energy
Science and Information Technology
Social Issues/Migration/Health
Statistics: Sources and Methods
Taxation
Transport
Urban, Rural and Regional Development

➤ **SourceOECD/Periodicals**

Each OECD periodical (see list under 3.2 below) includes online access with the print subscription at no extra charge. The purchase of an individual printed issue does not include online access.

➤ **SourceOECD/Statistics and IEA Statistics**

OECD and IEA statistics data is presented in Beyond 20/20™ software; designed to display statistical data, this tool allows customers to build and extract tables to suit their needs, draw graphs and charts, and export data in Excel™, and .csv formats. No browser plug-ins or special licenses are required. The SourceOECD and IEA statistical databases are online-only subscriptions.

3.2 PERIODICALS

The OECD publishes twenty three (23) print subscriptions, nine (9) of them with purely statistical content and five (5) database subscriptions (statistics) on CD-ROM. The frequencies of the periodicals vary between

eighteen (18) issues per year (OECD Economic Surveys) through twelve (12) issues per year (Main Economic Indicators) to one (1) issue per year (Economic Policy Reform).

The frequency of the OECD Economic Surveys is not always consistent. It might happen that for example issue ten (10) will be published before issues seven (7) and eight (8). It usually publishes one or two additional supplements annually.

A further special case is the ITCS (International Trade by Commodities) periodical. Due to nature of collecting statistical trade figures from member countries it might occur that 2004 issues will be published in 2005 or even in 2006.

➤ **Periodicals (Journals)**

- Economic Policy Reform (1 issue)
- Financial Market Trends (2 issues)
- Higher Education Management and Policy (3 issues)
- Journal of Business Cycle Measurement and Analysis (3 issues)
- NEA News (2 issues)
- Nuclear Law Bulletin (2 issues)
- OECD Economic Outlook (2 issues also sold as monographs)
- OECD Economic Studies (2 issues)
- OECD Economic Surveys (18 issues also sold as monographs)
- OECD Journal of Competition Law and Policy (3 issues)
- OECD Journal on Budgeting (4 issues)
- OECD Papers (12 issues)
- PEB Exchange (2 issues)
- The DAC Journal (4 issues - first issue also sold as monograph)
- The OECD Observer (6 issues)

➤ **Statistical Periodicals (Print)**

- Creditor Reporting System on Aid Activities (6 issues also sold as monographs)
- Energy Prices and Taxes (4 issues)
- International Trade by Commodities (three different versions)
- Main Economic Indicators (12 issues)
- Main Science and Technology Indicators (2 issues)
- Monthly Statistics of International Trade (12 issues)
- Oil, Gas, Coal and Electricity Quarterly Statistics (4 issues)
- Quarterly Labour Force Statistics (4 issues)
- Quarterly National Accounts (4 issues)

➤ **Databases (CD-ROM)**

- Main Economic Indicators (12 issues)
- Monthly Statistics of International Trade (12 issues)
- ITCS International Trade by Commodities Statistics (three different versions)
- OECD Science and Technology Indicators (2 issues)
- Energy Prices and Taxes

3.3 STANDING ORDERS

3.3.1 **Blanket Standing Order (BSO)**

This consists of all OECD's printed material (books and periodicals). The equivalent online subscription offer is SourceOECD/Books & Periodicals (print+online).

3.3.2 *General Standing Order (GSO)*

This standing order includes all OECD books only. The equivalent online subscription offer is SourceOECD Books (print+online) which includes all OECD books online.

3.3.3 *Thematic Standing Order (TSO)*

Each printed book title belongs to one or more subject category 'themes'. A customer can have a standing order to all printed books within a given theme. Below is a list of all OECD TSO's that are available in English and/or French:

- Agriculture and Food
- Development
- Education and Skills
- Emerging and Transition Economies
- Employment
- Energy
- Environment and Sustainable Development
- Finance and Investment/ Insurance and Pensions
- General Economics and Future Studies
- Governance
- Industry, Services and Trade
- National Accounts and Historical Statistics
- Nuclear Energy
- OECD Essentials
- Science and Information Technology
- Social Issues/Migration/Health
- Statistics: Sources and Methods
- Taxation
- Transport
- Urban, Rural and Regional Development

Note: These TSOs match the SourceOECD Books themes. If a client subscribes to the online + print service, he receives the relevant online SourceOECD Book theme and the matching TSO print service.

3.4 REGULARS

Regulars are book or CD-Rom titles (ISBN titles only) published annually or bi-annually. The print/CD-Rom editions are sold on a standing order basis and no online access is offered. Upon publication of a new edition, a proforma invoice is sent to any client who has previously bought the title. In some cases, clients are sent the new print/CD-Rom together with an invoice.

3.5 SERIES

Some books are part of a series (*e.g.* Environmental Performance Reviews). Clients can order printed editions on a standing order basis. The only way to get these books online is to subscribe to a relevant SourceOECD book theme

3.6 LOOSE LEAFS

There are six (6) OECD loose leaf publications, also known as "binders". A customer who purchases a binder receives the binder as it is today, with all available updates included:

- Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations.
- Model Tax Convention on Income and on Capital.

- Nuclear Legislation Analytical Study.
- OECD Guidelines for the Testing of Chemicals.
- Export Credit Financing Systems in OECD Member and non-Member Countries.
- Implementing the OECD Anti Bribery Convention.

3.7 OECD NUMBERING SYSTEM

Although OECD publications have ISBN or ISSN, the OECD code is the most important code for various internal uses. OECD products are classified by an internal code to identify and differentiate each product. The OECD code appears on the back cover of an OECD publication. The OECD code tells which is the author directorate, what year the product has been published and about the language and medium edition. OECD uses this number extensively for market analysis and revenue allocation. All physical products are bar-coded.

➤ **Example for a BOOK: 042001021P1**

04	Position 1-2	Directorate
2001	Position 3-6	Year
02	Position 7-8	Counter - i.e. the second book from directorate in 2001
01	Position 9-10	Language
P	Position 11	Medium
1	Position 12	Version

➤ **Example for a SUBSCRIPTION Product: SUB-16021W1**

Same as above except position 1-2 is not always the directorate (*e.g.* SourceOECD themes begin with 16 as they cover publications from numerous directorates. Also position 3-6 (year) is not mentioned.

ARTICLE 4 OECD CREDIT POLICY FOR SALES OF PUBLICATIONS

- No credit accounts will be opened in the name of private individuals.
- Customers without credit accounts interested in purchasing a single publication should be directed towards the Online Bookshop (paying by credit card) or towards a local distributor. Single publication orders accompanied by a credit card reference may be accepted, otherwise a proforma may be sent.
- A credit account may only be opened for a customer expected to maintain a level of purchases in excess of Euros 1000 (USD 1000, Yen 100000, MXP 8000) per quarter.
- No trade account with a credit limit in excess of Euros 5000 may be opened without a credit check being performed; accounts will only be opened for customers who pass the credit check.
- The opening of a new account must be documented and approved in writing by an OECD Centre or by the PAC/PO (Customer Services), and may not be carried out by the contractor alone.
- Existing customers who do not maintain the level of business described in paragraph 3 above will have their credit accounts closed, either by the Centre concerned or by Paris/GC.
- Orders stemming from customers without credit accounts will give rise to a proforma.
- In addition, with the exception of the Online Bookshop, credit card payments for proforma and invoices may only be accepted when written confirmation of the payment instructions is received (letter, fax, e-mail). The communication of a credit card number by telephone is generally not acceptable, except in the USA where this is the normal practice. When a credit card number is noted

by phone, a telephone number or e-mail address should be obtained in case further contact with the customer is required.

- When more than one credit account exists today for the same customer, all accounts will be merged into one. Separate accounts may only be issued for separate legal entities. Exceptions to this rule may be granted by OECD Centres and PAC/PO, but the exception must be justified for business reasons (the simple request of the customer is not an adequate justification) and the justification must be documented on the customers file.
- No new accounts may be opened with credit periods of more than ninety (90) days. All accounts of a hundred eighty (180) and a hundred twenty (120) days must be reviewed and gradually reduced to ninety (90) days. The ninety (90) days credit period may only be given to major distributors.
- A credit limit is set for each account. A guideline for setting the amount of the limit is to take the average monthly expected sales, and multiply this by one more month than the number of months of credit given to the customer. Thus a customer with an average sales figure of two thousands euros (2,000 €) per month and ninety (90) days of credit will have a credit limit of eight thousands euros (8,000 €). In this way, any payment problems will be flagged before the Organisation is put at significant financial risk. It is always possible to over-ride credit limits and release orders when appropriate. A mechanism is in place for this.

Centres and PAC/PO will maintain a regular review of the accounts for which they are responsible in order to detect and eliminate duplicates and other anomalies. PAC/PO will maintain an overview of all accounts; Centres included, and will ensure the above procedures are respected in all locations.

ARTICLE 5 GENERAL DISCOUNTS

Customer Profiles	Order Types (Transaction Types)				
	Ad Hoc Orders (Monographs) and Continuation Orders for Monographs	Subscripti on orders	Blanket, General, Thematic standing or Continuation orders	Subscriptions to SourceOECD packages	
Direct Orders/New Customers				new orders	renewals
Government	10%	15%	15%	15%	15%
International Organisation	10%	15%	15%	15%	15%
Consortia	0%	0%	0%	by negotiation	by negotiation
Others	0%	0%	0%	0%	0%
Discounts for book single title bulk orders to direct or trade customers on a no returns basis.					
11-49	20%				
50 – 99	25%				
above 100	30%				

ARTICLE 6 GENERAL DISCOUNTS FOR TRADE PARTNERS

Bookseller, Agent, Distributor	% discount
Ad Hoc orders (monographs) and continuation orders for monographs	20%
Ad Hoc Orders (CD-ROMs) and continuation orders for CD-ROMs	20%
Blanket-, General- or Thematic Standing Orders	20%
Subscriptions (print and CD-ROMs)	10%
SourceOECD subscriptions	20% new subscriptions ¹ 10% renewals ²
PDFs	On request

Read and approved:

In:

Done on:

Signature by a person having authority to conclude:

¹New SourceOECD subscription orders are orders that are new to the Organisation.

² SourceOECD subscription renewal is any renewal of a previous order, regardless of any previous bookseller's, agent's or distributor's role or placed by the customer himself.

GENERAL CONDITIONS OF THE CONTRACT

Closing date: 13th December 2004 – 11h00 Paris time

ARTICLE 1 TERM OF THE CONTRACT

- 1.1 The start date of the contract should be the 1st January 2006.
- 1.2 Unless previously terminated the term of the contract shall be for a period of five (5) years, with the possibility to two (2) one-year renewals. The contract shall be automatically renewed at the expiry date and each anniversary thereof with a rolling annual renewal unless either party gives notice of termination in writing not less than eight (8) months prior to the expiry date or the next anniversary thereof if automatic renewal has occurred.

ARTICLE 2 OBLIGATIONS OF THE CONTRACTOR THROUGHOUT THE TERM

- 2.1 The Contractor shall promptly and diligently provide the services and others services in respect of the publications and online services.
- 2.2 The Contractor shall use all reasonable endeavours to provide promptly any reasonable variation to the services as may reasonably be requested by the Organisation and agreed in writing between the Organisation's Contract Manager and the Contractor's Contract Manager.
- 2.3 The Contractor shall be responsible for obtaining all licences, permits and approvals which are necessary or advisable for the physical dispatch of the publications throughout the world and for the performance of its duties hereunder.
- 2.4 The Contractor is not allowed to pass customer data to any third party nor use this information for any promotional or marketing purposes except with prior written authorisation from the Organisation.
- 2.5 The Contractor shall not pledge the credit of the Organisation in neither way nor bind or purport to bind the Organisation to any contract, incurring any liability on the Organisation's behalf or holding itself out as acting on behalf of the Organisation in any capacity other than the ones expressly permitted by the Organisation.
- 2.6 The Contractor shall not make any modification to the publications or their covers nor (without prejudice to the generality of the foregoing) alter, remove or tamper with the trademarks or other means of identification on the publications.
- 2.7 The Contractor shall not make any guarantees or representations regarding the publications without prior express written authorisation of the Organisation.
- 2.8 The Contractor shall permit the Organisation and any of its authorised representatives to have access to the Contractor's premises and all relevant documents and records and stock that they may wish to examine during normal working hours on working days upon the Organisation having given the Contractor forty-eight (48) hours prior notice in writing.
- 2.9 The Contractor shall be required to observe the compulsory and other standards of industrial safety applicable in the jurisdiction in which it operates.

ARTICLE 3 GENERAL RIGHTS AND DUTIES OF THE CONTRACTOR AND THE ORGANISATION

- 3.1 Both parties to the Contract shall comply with all applicable rules, laws and regulations relating to the sale of the publications throughout the world and shall exchange information of any changes of which they are aware of.
- 3.2 The Contractor undertakes to ensure that it is registered under a Data Protection Act either as a 'data user' or as a 'computer bureau' and that such registration is sufficient to permit it to use and transfer the data as described therein.
- 3.3 Notwithstanding the provisions of paragraph 8 below, all information relating to Customers who purchase Publications is and shall remain the property of the Organisation. The Contractor will maintain the security and confidentiality of this information.

ARTICLE 4 CHARGES

- 4.1 In consideration of the Services provided by the Contractor the Organisation will pay the fees as agreed upon.
- 4.2 The Annual Service Fee will be fixed for the period of three years starting from the commencement date 1st January 2006 with the exceptions:
- Of a yearly revision in the light of the Organisation's online sales revenue invoiced by the Contractor, given that the parties both recognise that online sales, which do not require physical dispatch of printed publications or other hardcover publications, involve less costs to the Contractor;
 - Of a yearly revision linked to the inflation rate of the contractor's home country;
 - Of a revision, if the business volumes exceeds a hundred twenty per cent (120%) of the previous year;
 - Of a revision, if the business structure has changed significantly compared to the Basic Information and Technical and Service Specifications.

Any changes need mutual agreement between the parties and in the event that any changes to the Annual Service Fee are agreed upon, the changes will be enacted by a written amendment to the Contract, signed by the duly authorized representatives of both parties.

ARTICLE 5 PAYMENTS

- 5.1 The invoices are payable within thirty (30) days of receipt.
- 5.2 Within fifteen (15) working days after the end of each month the Contractor shall submit invoices and the supporting documentation to the Organisation in respect of the Contractor's postage and packing material costs and carriage charges. The Contractor shall bill the Organisation at cost, that is, an amount equivalent to the actual net amount billed to the Contractor by outside entities provided such postage and packaging supplies and services, inclusive of any discounts, rebates or other cost reductions.

Regarding supporting documentation, the Contractor shall provide the justification for the cost incurred, consisting of invoices from its suppliers where a link can be established between the cost incurred and the invoices and/or delivery notes of the publications of the Organisation.

The Organisation will fund an Imprest Account operated by the Contractor at the commencement of the contract equivalent to ten (10) weeks estimated postage, packing materials and carriage costs. This amount shall be adjusted according to business flows and confirmed by an exchange of letters. The Contractor, upon rendering its monthly invoice for such costs, shall deduct any sum so invoiced from the Imprest Account. The Organisation's payments of each invoice will go directly onto the Imprest account. The Contractor hereby confirms that the funds in the Imprest Account will be used for no purpose other than those set forth in this paragraph. The Contractor agrees to send copies of all bank statements reflecting activity in the Imprest Account to the Organisation, together with the invoices for postages/packing/carriage charges. Any interest accrued on the funds in the Imprest Account belongs to the Organisation. In addition in the event of Contract termination by either party, and upon satisfactory payment of all outstanding postage and packaging invoices, the Contractor shall refund to the Organisation all remaining funds in the Imprest Account.

ARTICLE 6 LIABILITIES

- 6.1 The Contractor shall not be required to provide any Services or Others Services in relation to any of the publications which in its reasonable opinion is or may be illegal, pornographic, obscene, defamatory or offensive nature or which may infringe the rights of any party. After consultation with the Organisation and immediately upon notification from the Contractor the Organisation shall at its cost arrange for the removal of any such publications from the Contractor's warehouses and shall indemnify and keep indemnified the Contractor against any and all reasonable losses, claims, costs, demands, expenses and liabilities arising there from. The Organisation shall make such announcements as are necessary for the Contractor to absolve itself from responsibility for any such publications so as to maintain the goodwill and reputation of the Contractor.
- 6.2 The Contractor accepts liability and undertakes to indemnify the Organisation for any and all reasonable costs, claims, damages, liabilities, losses, expenses and damages incurred by the Organisation, its representatives, agents, employees, directors, sub-contractors and assigns due to any negligence, breach or wilful or reckless default of the Contractor of its obligations under the Contract. The Contractor shall hold the Organisation harmless in respect of all legal or extra-judicial claims, outlays, expenses and other liability resulting from damage caused to third parties due to any negligence, breach or wilful or reckless default of the Contractor of its obligations under the Contract.
- 6.3 The Contractor shall use customer data only as specified under the terms of the Contract and in accordance with Data Protection Act(s) of the Contractor's home country and any successor or corresponding legislation and shall indemnify and keep indemnified the Organisation against any and all reasonable losses, claims, costs, demands, expenses and liabilities arising from any misuse of these data by the Contractor.
- 6.4 With regard to liability for damage to or loss of stock the Contractor accepts the risk of any loss or damage to stock held at its premises.

ARTICLE 7 INTELLECTUAL PROPERTY

- 7.1 Nothing in the Contract shall give the Contractor any rights in respect of any trade marks or trade names used by the Organisation in relation to the Publications or any other intellectual property vested in the Publications or of the goodwill associated therewith and the Contractor hereby acknowledges that except as expressly provided in the Contract it shall not acquire any rights in respect thereof and that all such rights and goodwill are and shall remain vested in the Organisation.
- 7.2 The Contractor shall not use the Organisation's name, trade marks or trade names except as expressly permitted under the Contract. The Contractor shall not use any trade marks or trade names so resembling the trade marks or trade names of the Organisation as to be likely to cause confusion or deception. The Organisation grants permission to the Contractor to include, after written agreement by the Organisation, to his marketing material and his web-site that the OECD is a customer of the Contractor.
- 7.3 No goodwill arising from the Organisation's trade marks or trade names will accrue to the Contractor, and the Contractor accordingly waives all right and interest in such good will.
- 7.4 The Contractor undertakes to notify the Organisation promptly if it becomes aware of:
- Any infringement or alleged infringement of the Organisation's intellectual property in the Publications anywhere in the world; or
 - Any allegation by any third party that the use and exploitation of such intellectual property infringes any intellectual property rights of any such third party in any part of the world; and subsequently supply to the Organisation such detailed information concerning any such infringement, alleged infringement or third party allegation as may be available to the Contractor and extend such co-operation as the Organisation shall reasonable request in countering such infringement, alleged infringement or third party allegation. The Organisation will reimburse the Contractor for any reasonable costs that the Contractor may incur.

ARTICLE 8 CONFIDENTIALITY

- 8.1 Except as provided below each party shall at all time during the continuance of the Contract and after its termination howsoever caused:
- Not disclose any Restricted Information for any purpose other than in performance of its obligations under the Contract.
 - Not use any Restricted Information for any purpose other than in performance of its obligations under the Contract
- 8.2 Restricted Information may be disclosed by either party to:
- Any customers or prospective customers and their respective employees subject to the written consent of the other party; or
 - Any authorised Government or regulatory body or their respective employees; or
 - Employees of either party to such an extent only as is necessary for the purposes contemplated by the Contract or as is required by law or a court of competent jurisdiction and subject in each case to the disclosing party using all reasonable endeavours to ensure that the person to whom

the Restricted Information is disclosed keeps the same confidential and does not use the same except for the purposes for which the disclosure is made.

- 8.3 Any Restricted Information may be used by either party for any purpose or disclosed by either party to any other person to the extent only that:
- It is at the date hereof or hereafter becomes public knowledge through no fault of the disclosing party (provided that in doing so that party shall not disclose any Restricted information which is not public knowledge); or
 - It can be shown by the disclosing party to the reasonable satisfaction of the other to have been known to the party to whom it is disclosed prior to it being disclosed.

ARTICLE 9 TERMINATION

- 9.1 Without prejudice to any other provisions contained in the contract and any other rights such party serving notice may have, either party may forthwith terminate the contract within a three (3) months period by written notice to the other if any of the following events shall occur:
- If the other party commits any material breach of the terms or conditions of the contract including the terms, conditions and provisions of any schedule and fails to remedy such breach (or insofar as such breach is not capable of remedy to furnish adequate compensation therefore) within thirty (30) days after receiving written notice from the first party requiring it do so.
 - If either party passes a resolution, or the Court makes an order, that either party be wound up otherwise than for the purpose of bona fide reconstruction or amalgamation, or a receiver, manager or administrator on behalf of a creditor is appointed in respect of either party's business or any part thereof, or circumstances arise which entitle the court or a creditor to appoint a receiver, manager or administrator or which entitle the Court, otherwise than for the purpose of bona fide reconstruction or amalgamation, to make a winding up order or either party is unable to pay its debts.
 - If the Contractor comes under the control of any third party other than that by which it is controlled at the Commencement Date of the Contract. For purposes of this provision, "control" shall mean the ownership of more than fifty per cent (50%) of the ordinary share capital carrying the right to vote at general meetings or the power to nominate a majority of the board of directors.
- 9.2 The Organisation shall also have the right to terminate the contract in the absence of the circumstances specified in paragraph 8.9.1 above, upon eight (8) months' notice at any point during the contract term.
- 9.3 The expiry or termination of the contract shall be without prejudice to the rights of the parties accrued up to the time of such expiry or termination.

ARTICLE 10 EXPIRY OR TERMINATION CONSEQUENCES

- 10.1 The Contractor shall within thirty (30) days of the date of expiry or termination of the contract send the stock then in the possession of the Contractor to another location specified by the Organisation.

- 10.2 New orders received by the Contractor after the date of expiry or termination of the contract shall be forwarded in accordance with directions given to the Contractor in writing by the Organisation. Orders received by the Contractor prior to the date of expiry or termination of the contract in respect of which the Contractor has commenced processing will be processed by the Contractor in accordance with the contract. Orders received by the Contractor prior to the date of expiry or termination of the contract in respect of which the Contractor has not commenced processing will be subject to the directions given by the Organisation.
- 10.3 For a period of ninety (90) days following the date of expiry or termination of the contract the Contractor shall accept and credit authorised returns of publications from all Customers. Thereafter the Contractor shall no longer accept or credit returns but shall return such publications to each customer who has sent them to the Contractor with directions (if known) as to the proper entity designated by the Organisation to accept returns of the publications or to the Organisation or proper entity designated by the Organisation, as may be agreed.
- 10.4 Within thirty (30) days of the date of expiry or termination, each party shall return to the other any Restricted Information and any copies thereof in its possession, custody or power in whatever format it may be held.
- 10.5 At the expiry or termination of the contract, the Contractor shall transfer computer records (address files, customer files, product files, accounts files, sales and inventory files) and all paper records and electronic records relative to all activities to the Organisation and the entire stock held by him on behalf of the Organisation to a location designated by the Organisation in a form that can be normally exploitable by the Organisation or another Company. The Organisation is the exclusive owner of all supporting documents, either in paper or in electronic format.
- 10.6 In case of termination of the contract by the Organisation before the expiry date as a consequence of proven and repetitive unsatisfactory performance, or as a consequence of any other material breach of the terms and conditions of the contract by the Contractor, all expenses in respect to this termination shall be borne by the Contractor. As far as the costs of transfer of stocks are concerned, these costs will be limited to the costs of transferring stocks from the Contractor premises to a location designated by the Organisation in a form that can be normally exploitable by the Organisation or another Company.
- 10.7 In case of termination of the contract by the Contractor before the expiry date because of errors in price quotations or in case the Contractor is no longer capable to perform the tasks under the contract or in case the Contractor ceases his activity or in case the Contractor moves to a different location more than a hundred kilometres (100 km) from the present location that is unacceptable for the Organisation, all expenses in respect to the cancellation shall be borne by the Contractor.
- 10.8 The Organisation shall within thirty (30) days of the date of expiry or termination of the Contract pay to the Contractor all monies due to it under the terms of the contract.
- 10.9 The Contractor shall within thirty (30) days of the date of expiry or termination of the Contract return all funds in the Imprest Account to the Organisation.

ARTICLE 11 NOTICES

- 11.1 Any notice or other communication given by either party to the other shall have been deemed to have been duly given or made if delivered personally or sent by registered post or fax transmission to the address of the relevant party as specified herein (or such address as the party may notify from time to time for this purpose). Nay such notice or communications shall be deemed to have been

received when delivered by hand or on the second day after posting by first class letter post or when the proper fax back message is received by the sender as appropriate.

ARTICLE 12 ASSIGNMENT

Neither party shall assign or otherwise dispose of the benefit or obligations of the contract except with the prior written consent of the other party, such consent not to be unreasonably withheld and to be given in a timely manner.

ARTICLE 13 STATUS

Nothing in the contract shall create or be deemed to create a partnership or the relationship of employer and employee between the parties. The Contractor and his experts, employees, agents or representatives:

- Shall not in any capacity be deemed to be members of the staff, or employees of representatives of the Organisation;
- Shall have no power to commit the Organisation in respect of any expenditure whatsoever;
- Shall have no claim to any advantage, payment, reimbursement or services not stipulated in the Contract.

ARTICLE 14 SEVERABILITY

If any provision of the Contract is held by any competent authority to be void, voidable, illegal or otherwise unenforceable in whole or in part the parties shall amend that provision in such reasonable manner as achieves the intention of the parties without illegality or, provided both parties then agree, the provision may be severed from the Contract which shall continue to be valid as to the other provisions thereof.

ARTICLE 15 ARBITRATION

Any dispute arising out of the interpretation of the contract, which cannot be settled by mutual contract, shall be referred for decision to an arbitrator chosen by contract between the Organisation and the Contractor. If the parties fail to reach a contract on the appointment of an arbitrator within three months after the request for arbitration by one of the parties, the dispute shall be referred for decision to a Board of three arbitrators composed of an arbitrator appointed by each of the parties and a Chairman appointed by these two arbitrators. If one of the arbitrators or the Chairman is not appointed within six months after the request for arbitration, the arbitrator and the Chairman shall be appointed by the First President of the Court of Appeal of Paris at the request of either Party. The decision of the arbitrator or the Board of arbitrators shall be final and not subject to appeal.

ARTICLE 16 WAIVER

The failure by either party to enforce at any time or for any period any one or more of the terms and conditions of the contract shall not be a waiver of them or of the rights at any time subsequent to enforce all terms and conditions of the contract.

ARTICLE 17 FORCE MAJEURE

- 17.1 Neither party shall be liable to the other in anyway whatsoever for failure, interruption, delay or any other matters of the nature whatsoever arising out of any happening beyond its reasonable control including war, rebellion, civil commotion, strikes unless the Contractor's, lock-outs and industrial disputes, fire, explosion, earthquake, flood, drought, or extreme weather conditions.
- 17.2 In case of any event arising the party affected by it shall notify the other party of the nature of the Force Majeure and the extent it is affected thereby and the parties shall enter into bona fide discussions and shall use all reasonable endeavours to alleviate its effects or to agree upon such alternative arrangements as may be fair and reasonable.
- 17.3 In the event that alternative arrangement cannot be agreed upon and any circumstances covered by this clause cannot be alleviated, rectified or remedied or if such circumstances continue for a period of two (2) months or more either party may at its option terminate the contract forthwith and without liability for such termination.

Read and approved:

In:

Done on:

Signature by a person having authority to conclude:

TECHNICAL AND SERVICE SPECIFICATIONS

Closing date: 13th December 2004 – 11h00 Paris time

ARTICLE 1 ESSENTIAL REQUIREMENTS**1.1 CUSTOMER SERVICE**

The Contractor shall maintain close liaison directly with customers and the Organisation to ensure continuous enhancement of the services provided.

The Contractor shall create and maintain close relationships with major distributors and subscription agents. Preferably to dedicate certain staff members to each of the distributors and agents.

The Contractor shall answer customer queries and claims regarding the processing and despatch of orders within three (3) working days of the receipt of the enquiry.

1.2 ONLINE AVAILABILITY OF ALL INFORMATION AND REPORTS

The Contractor shall provide all reports online through a secure and password protected Internet site and a special program (reporting tool) dedicated to be used by any assigned body of the Organisation at any time. The Contractor must ensure that OECD staff gets sufficient training in use of the tool(s) and must maintain supporting documentation. It is expected that all aspects of the business are covered by the reports.

1.3 SOFTWARE SYSTEMS DEVELOPMENTS, ENHANCEMENTS AND ADDITIONAL TASKS

The Contractor must be capable of enhancing their software systems if requested by the Organisation. In the event the Organisation requests IT development, or enhancements relating to the Contractors software system(s), reporting tools or asks for special customer service or warehousing tasks (*e.g.* mailings) the Contractor is obliged to answer to those requests within five (5) working days and to carry out the work immediately after the Organisation has provided written authorisation.

1.4 UNITED STATES OF AMERICA BRANCH

The Contractor must already have or will have to establish a branch within the United States of America for warehousing, order processing including fulfilment and distribution of Ad hoc orders, accounts handling and all sorts of claims processing for North American clients. In particular the customer service for those clients is of great importance and has to comply with the obligations and requirements defined. The United States branch must receive publications within one week of reception of publications from the Organisation.

1.5 POSTAGE, PACKING MATERIALS AND CARRIAGE CHARGES

Postage, packing materials and carriage charges are an essential part of the services to be provided, both in terms of quality and cost of the services rendered. In consideration of this, and to ensure that the Organisation obtains the best possible market offers (offer being defined as the best balance between prices and services), the Contractor shall initiate an annual consultation of at least two (2) or three (3) potential suppliers. Based on the results of this process, the Contractor and the Organisation will agree on the suppliers to be used for the following financial year. The packing materials to be used by the Contractor are to be agreed upon by the Organisation, subject to the requirement that packing materials agreed upon must suit the Contractor's working procedures and machinery employed to conduct despatch of products.

ARTICLE 2 OTHER REQUIREMENTS**2.1 GENERAL**

2.1.1 In order to be able to start the service the Contractor must load customer, product, order and accounting data on its software system(s).

2.1.2 Further, the Contractor must intake all current stock of the Organisation. The Contractor shall provide for a physical inventory to verify initial stock counts on or before the start date. Representatives from the Organisation will be present during this process. The count will be agreed to by both parties and will thereafter be referred to as the “initial inventory stock count”.

2.1.3 The Organisation expects to provide to its customers and subscribers a customer service matching the best norms of the industry, to obtain user-friendly and reliable tools for business analysis and, consequently, to be in a position to make correct management decisions as well as to improve reporting tools for controlling and accounting.

2.1.4 Therefore, the Contractor shall carry out the following tasks:

- Maintain inventories of all in-print OECD material.
- Receive new subscription/book orders by mail, phone, fax, or Internet.
- Receive orders via the OECD’s online bookshop system and integrate them with all other orders.
- Process orders and invoices, for physical products as well as for electronic products, subscriptions and online services.
- Process payments in agreed form and report on accounts receivable and payment transactions.
- Handle the picking, packing, and shipping of orders to the customers.
- Provide monthly reliable world wide up-to-date reports *e.g.* on customers, sales, cash receipts, accounts receivable, actual distribution costs and stocks.
- Invoice new orders and process and send renewal series.
- Handle claims and customer complaints in a professional and courteous manner.
- Send all ordered publications directly to the customers and/or the OECD outlets.
- Ensure that the OECD outlets will be able to maintain stock of all publications in order to fill urgent on the spot claims as well as to proceed with over-the-counter sales for walk-in customers and send stocks to the Centres on a consignment basis.
- Receive and process all the orders coming through the OECD Online Bookshop.
- Pass onto the OECD’s online publishing Contractor all relevant information concerning online subscriptions so that clients can access their online products in a timely manner.

2.1.5 The Contractor shall create and hold records for each customer on its computer system to allow the Contractor to invoice customers for publications and online services; and to collect payment from them, implementing the terms of trade and discounts specified by the Organisation. The Contractor shall include all invoicing, despatch and payment details in customer records to the extent necessary to provide the services and to provide the reports.

2.1.6 The Contractor shall create and maintain on its computer system accurate and up-to-date records for all publications and online services to allow the Contractor to process orders and control stock for the publications. These records must include list prices, and any other special prices the system can accommodate. Provide services for new titles added by the Organisation to its publications throughout the term of a contract, and make necessary adjustment for discontinued titles of publications.

2.1.7 The Contractor shall receive product information in electronic format on a weekly basis, based on the Organisation’s product database Kappa.

2.1.8 The Contractor shall receive orders for publications and online services from customers and from the Organisation and process them on behalf of the Organisation. Orders for publications and online services may be submitted to the Contractor by customers in various ways including, but not limited to, post, fax, telephone, magnetic tape and e-mail. The Contractor must reply to queries by customers concerning the publications and online services within three (3) Working Days.

- 2.1.9** The Contractor shall be able to handle exclusive bookseller, distributor and/or agent agreements covering certain markets (e.g. China).
- 2.2** ORDER PROCESSING AND DESPATCH
- 2.2.1** The Contractor shall assign slot dates for the despatch of each issue of each serial publication. The slot date will be within three (3) working days of the delivery date. The Contractor shall despatch each issue of each serial publication to customers on the slot date.
- 2.2.2** The Contractor must despatch catch-up copies (where required) for new orders of serial publications of customers within five (5) working days of receipt of payment from the customer.
- 2.2.3** The Contractor must despatch non-serial publications to customers within three (3) working days of receipt of an order. If a non-serial publication is not in stock at the time of receipt of an order the Contractor shall despatch the non-serial publications within three (3) working days of receipt of the stock.
- 2.2.4** The Contractor shall ensure that Anytime Start subscriptions for print periodicals and CD-ROMs start with the current available issue and for online services on the first (1st) of the next month (however, online access should be enabled on the next day after order processing). Annual/Calendar year subscriptions – currently only *OECD Economic Surveys*, *Creditor Reporting System on Aid Activities* and *International Trade by Commodity Statistics* – start with the first issue of the year. The subscription period is in general 1 calendar year. On request it must be possible to reduce or extend the period by one (1) month, three (3) months, six (6) months or any other monthly portion of a year.
- 2.2.5** The Contractor shall ensure that standing order (BSO, GSO and TSO) customers will only receive each print book once or if different quantities per theme have been ordered, the highest quantity. Reason: Books may belong to several standing orders. The Contractor's systems must be able to de-dupe before dispatch. New standing orders should always start on the first (1st) of next month unless customer states otherwise. Customers to the French language standing orders must receive the English language edition in case the French language edition is not being published, and *vice versa*.
- 2.2.6** Regulars: are sold on a standing order basis. The customer receives book and invoice until the standing order is cancelled.
- 2.2.7** Book Series: standing orders are set up for the series, so as soon as a book comes out from this series, the customer receives the book and invoice. New Series standing orders should begin with the latest available book, unless the customer states otherwise. Series only exist for print products in English, French, bi-lingual.
- 2.2.8** A customer who purchases a Loose-Leaf receives the binder as it is today – with all available updates included. With one exception (the Anti-bribery title), the customer is set up to receive future updates with an invoice as they become available, until the customer cancels the standing order.
- 2.3.9** The Contractor shall promptly report to the Organisation the dates of despatch of serial publications and standing orders.
- 2.2.10** The Contractor shall promptly distribute gratis and exchange subscriptions to serial publications and gratis copies of non-serial publications to lists of addresses as supplied by the Organisation.
- 2.2.11** The Contractor shall notify customers as soon as possible when a publication is awaiting reprinting or delivery and in those cases the Contractor shall record the order for future action. If the

- publication cannot be supplied and the Organisation has not advised the Contractor not to process orders for the publication any sum received will be returned to the customer within thirty (30) days.
- 2.2.12** The Contractor shall provide customers with information regarding fulfilment of orders for publications which are out-of-stock or not-yet-published from information provided by the Organisation in an appropriate and timely manner. Orders for such publications shall be recorded by the Contractor for despatch when the publication is received.
- 2.2.13** The Contractor shall handle Print on Demand copies for publications and periodical issues out of print according to instructions from the Organisation.
- 2.2.14** At the end of the subscription period the Contractor shall provide grace copies of serial publications. The Organisation shall specify its requirements (if any) for grace copies for each serial publication. In case of SourceOECD subscriptions the Organisation offers a three month grace period before online access is cut off.
- 2.2.15** The Contractor shall prepare and despatch the subscription renewal invoices (pro-forma) and reminders in accordance with a timetable set by the Organisation. In particular the Contractor shall despatch one (1) renewal pro-forma and where necessary three (3) reminders. For SourceOECD subscriptions the Contractor shall take additional measures to chase for renewals after the expiry date. He shall send one email/fax/letter one month after the expiry date and, for specified titles, shall call the customer two (2) months after the expiry date.
- 2.2.16** The Contractor shall distribute renewal details to subscription agents and distributors; if requested in electronic format.
- 2.2.17** The Contractor shall handle cancellations of subscriptions.
- 2.2.18** The Contractor shall despatch publications on the basis specified by the Organisation, for example sale or return or despatch-on-approval.
- 2.2.19** The Contractor shall use packaging appropriate to the safe transit and delivery of the different formats used.
- 2.2.20** The Contractor shall insert notices relating to the publications as requested by the Organisation, for example, addenda and lateness of publication, before wrapping.
- 2.2.21** The Contractor shall supply daily subscription data in particular those for SourceOECD subscriptions to external hosts in order to ensure online access for subscribing customers.
- 2.2.22** The Contractor must be able to justify shipments on demand by the Organisation, and provide detailed proof of delivery for shipments above five hundred euros (500 €) value.
- 2.3** ORDER PROCESSING FOR SOURCEOECD
- 2.3.1** The Contractor shall add and maintain customer Internet Protocol (IP) addresses provided by the Organisation or by the customer to customer records. It is important to note that bill-to, ship-to and end-user addresses must be used for all orders.
- 2.3.2** The Contractor shall supply to the Organisation or appointed agents (service provider) FTP files of specified customer data for past and current full-price and free subscriptions to serial publications. These data will enable the Organisation or appointed agents to administer IP controlled or username/password access to subscriptions to electronic versions of serial publications and to SourceOECD.

2.3.3 The Contractor shall transfer data for subscriptions for the past and current year to reach the Organisation or appointed agents (service provider) on a daily basis. These transfers will be done through agreed electronic formats to facilitate uploading to the Organisation's or agent's (service provider) computer systems.

2.3.4 Online services do need special treatment because clients do expect a much faster handling of their orders. Therefore the Organisation expects:

➤ ***Handling order without payment (one (1) day)***

Reception of order either by client directly (end user), trade partner, any other party or OECD (*e.g.* consortia)

Processing pro-forma

Faxing or e-mailing pro-forma to bill-to address

Gather IP address(es) or ranges, if not included with the order, in the case the customer wants IP based access.

Further actions are depending on reception, identifying and matching of payment

Reception of payment

Processing of payment (in case of extreme difficulty to identify payment, contacting immediately OECD Headquarters or Centre, requesting support)

Directly after payment has been received, identified and matched (maximum one (1) day)

Activation of subscription within order processing system

Informing end user and possible bill-to address (*e.g.* trade partner) by e-mail (alternatively by fax or mail) about:

- Activation of the subscription.
- The customer-number.
- That the service provider for SourceOECD access is going to be informed immediately.
- Including a brief user guide "How to work with SourceOECD".

Sending file to service provider (daily)

➤ ***Handling order with payment (one (1) day)***

Reception of order with payment either by client directly (end user), trade partner or any other party

Gather IP address(es) or ranges, if not included with the order, in the case the customer wants IP based access.

Producing and mailing receipt to the bill-to address

Activation of subscription within order processing system

Informing end user and possible bill-to address (*e.g.* trade partner) by e-mail (alternatively by fax or mail) about:

- Activation of the subscription.
- The customer number.
- That the service provider for SourceOECD access is going to be informed immediately.
- Including a brief user guide "How to work with SourceOECD".

Sending file to service provider (daily)

2.4 ORDER PROCESSING FOR CONSORTIA DEALS

- 2.4.1** It will be essential for the Contractor to be able to record details of a consortium deal with up to three new contact addresses (the Consortium Negotiator, the Intermediary and the Publisher's Negotiator) in addition to the bill-to, ship-to and end-user addresses.
- 2.4.2** The Contractor's system must support billing to a single address or to each individual member of the consortium.
- 2.4.3** It must be possible for the Contractor to alter the structure of a consortium deal over time. That is, new members may join the consortium or existing members may leave. Equally members may choose to add or drop publications subject to conditions laid down by the publisher. Not all changes will occur at renewal time.
- 2.4.4** The Contractor's system must be able to record multi-year consortia deals. Such deals may require annual billing with renewal prices calculated automatically as a percentage of list prices. However, the system should provide the means to cap any such increases, in accordance with the terms negotiated at the outset.
- 2.4.5** In the event that a member of a consortium places an order for the printed version of any publication whose electronic equivalent is included in the deal, the Contractor's system should recognise that a special discount rate might be due, regardless of whether the order was placed directly or through an agent.
- 2.4.6** At the appropriate time, usually six (6) months prior to the expiry date of a consortium deal, a renewal report should be generated and sent to the Publisher's negotiator and/or the Intermediary with a view to triggering the commencement of renewal negotiations. Such a report should provide a comprehensive statement of the deal including details of each current member and their subscriptions.
- 2.4.7** In the event that one or more members leave a consortium, or a consortium ceases to exist, the Contractor's system should provide a failsafe whereby traditional renewal pro-forma invoices will be sent out to the customer as appropriate.
- 2.4.8** The system must support timely and effective resolution of customer support issues, such as queries or complaints about access rights to online content.

2.5 ONLINE BOOKSHOP ORDER PROCESSING

- 2.5.1** The Contractor must process OECD Online Bookshop orders directly, fulfilling the requirements as outlined below and, of course, embedded in the whole processes previously defined.
- 2.5.2** The Online Bookshop sells monographs, series, loose-leafs, pdf (e-books), CD-ROM titles as well as packages and subscription products including subscriptions for online services (*e.g.* SourceOECD). Thematic Standing Orders (print only) cannot be ordered.
- 2.5.3** The order reception will be automated as far as prepaid orders by credit card are concerned. At least two times a day the Contractor shall receive files in an agreed format and in a determined supply channel from the contracted Online Bookshop provider. The file structure and supply channel is based on the Contractor's requirements in order to integrate the Online Bookshop orders into the standard order processing and to fulfill accounting and reporting requirements.

- 2.5.4** Certain orders may be transmitted on a pro-forma document, printed by the customer within the Online Bookshop system. These orders must be received by the Contractor with either certified payment (bank transfer, check) or credit card information. In case no certified payment confirmation or no credit card information is attached the Contractor shall inform the client by sending a pro-forma, explaining that OECD requires pre-payment before orders can be filled.
- 2.5.5** Each customer coming through the Online Bookshop must be recorded within the Contractor's order processing system. It is important to notice that the unique key used by the contracted Online Bookshop provider for bill-to addresses, is the e-mail address, even though Trade and Corporate accounts will have "Online Bookshop account numbers" in addition.
- 2.5.6** It may occur that customers have been recorded recently because of orders forwarded to the Contractor via one of the various possible offline order channels. In any way a new customer will be dedicated to those customers in case of the first Online Bookshop order. For following orders the previously dedicated customer number will be used.
- 2.5.7** For new customers related to Online Bookshop orders sales ledger accounts may not be opened. Customer accounts may remain as sales ledger accounts if previously opened as such.
- 2.5.8** The Online Bookshop system is constructed to allow adding ship-to addresses to a certain order. The address must be recorded and be recognized as part of the order.
- 2.5.9** Trade and corporate accounts within the Online Bookshop will be managed by the OECD.
- Note:* "Offline" accounts for the same customer may also exist within the Contractor's systems. Ordering, fulfillment and terms of trade for these Offline accounts should remain independent of any accounts with the Online Bookshop.
- 2.5.10** For Trade and Corporate accounts the OECD will grant discounts depending on types of products (subscriptions, non-subscriptions and SourceOECD products). Most likely different from those stored, if the customer has a previously opened Offline account. The information will be forwarded included in the order file. The discount must appear on the receipt.
- 2.5.11** Online Bookshop orders must be flagged as such within the Contractor's system and of course provided to the Organisation for statistical purposes as defined in the report section. All relevant information (*e.g.* e-mail address, Online Bookshop-account n^o, Online Bookshop order n^o, Online Bookshop-order date, discount, fee for express shipment) forwarded by the Online Bookshop system have to be stored in relevant tables and fields.
- 2.5.12** It is common sense within the business community that customer expectations are significantly higher compared to sales based on 'classical' ways to order. Therefore, the Contractor shall process Online Bookshop orders within twenty four (24) hours of reception.
- 2.5.13** The Contractor shall handle Online Bookshop orders for North American customers through his United States of America branch whenever possible.
- 2.5.14** Start issue for anytime start periodicals is the current available issue. Calendar year periodicals start always with the first issue of the calendar year. Subscriptions will become part of standard "Offline" renewal process. Any special discount applied according to the Online Bookshop definitions will not apply in the renewal, standard trade discounts are applied when renewing.
- 2.5.15** No single issues of a periodical can be ordered within the Online Bookshop.

- 2.5.16** A flat fee will be introduced by the OECD going to be used within the Online Bookshop and being forwarded to the Contractor as part of the data transfer. The fee must appear on the receipt.
- 2.5.17** Customers requiring express shipment for subscription issues will be asked to contact the Contractor directly in order to receive appropriate information about the costs involved. Later renewals must take into account the yearly fee for express shipment.
- 2.5.18** Payments for Not Yet Published (NYP) publications will be collected and the orders stored as “dues”. The Contractor shall inform the customer about the recorded due (order acknowledgement). In case the customer has ordered several publications and at least one of them is “forthcoming” the receipt must highlight the “forthcoming” title(s) as a recorded due for later shipment once available.
- 2.5.19** The Online Bookshop provider has introduced an algorithm to allow clients to cancel their orders online within seven (7) days. However, if the product has been dispatched already the customer is allowed to keep the publication, but the Contractor’s system should be updated, to record the cancelled order. In cases cancellation is received before the order has been processed the Contractor might stop the dispatch process. If a subscription order has been cancelled within the allowed period the Contractor stops the subscription immediately.
- 2.5.20** The customer will have thirty (30) days after reception to return publications. For received requests for cancellations and/or returns leading to refunds (also NYP titles, if never printed), the Contractor informs the OECD including all relevant documentation. The OECD will process the refund.
- 2.5.21** For all orders leading to claims, requests for replacement copies, etc., the Contractor shall carry out the claim processing as defined.
- 2.5.22** The Online Bookshop will hold the availability status provided by the OECD. Later in that process it might become necessary to up-date the Online Bookshop system with stock availability information automatically based on the Contractor’s database.
- 2.5.23** It is required that customers will be informed by e-mail that their orders have left the warehouse.
- 2.5.24** Part of the consignment must be a receipt and/or a delivery note. The receipt is mandatory as it is needed by the customer for tax purposes (*e.g.* reimbursement request).
- 2.5.25** All documents (order acknowledgement, receipt, and delivery note) must show all relevant Online Bookshop order information delivered by the Online Bookshop system (*e.g.* e-mail address, Online Bookshop-account n^o, Online Bookshop order n^o, Online Bookshop-order date, discount, fee for express shipment).
- 2.5.26** Further to the Contractor’s receipt placed to each consignment based on an Online Bookshop order the OECD intends to add information to each order *e.g.* explaining the return policy for Online Bookshop orders.

2.6 INVOICING

- 2.6.1** As part of the order entry process, an invoice or receipt will be generated for each order. Many orders will come in with payment by check or credit card, and in those cases, the document generated would be a receipt unless the customer specifies that he wants an invoice. Questions regarding issuance of credit should be referred to the Organisation. The Contractor shall invoice customers in accordance with the list price and discount as advised unless the Contractor receives written instructions to invoice at a different amount.

- 2.6.2** The Contractor's systems must be able to invoice the same product at different prices according to the client's status; *e.g.* Non-for-Profit and For-Profit clients; New Purchasers and Renewing Purchasers.
- 2.6.3** The Contractor shall perform a credit limit check in an effort to minimise any financial risk to the Organisation according to the Credit Policy of the Organisation (Basic Information Article 4, "OECD Credit Policy").
- 2.6.4** The Contractor must ensure that invoices are part of the consignment as long as bill-to and ship-to addresses of an order are the same. In case both are different the ship-to address must receive a packing note.
- 2.6.5** The Contractor must ensure that Blanket-, General- or Thematic standing order customers have the option of immediate shipment/immediate billing or monthly shipment/monthly billing. The Contractor must send invoices as part of the consignment to customers with standing orders for non-serial publications within three (3) Working Days of receipt of stock.
- 2.6.6** The Contractor shall show any applicable discount on each invoice to a bill-to address. The Organisation expects that the Contractor can apply discounts to special promotional campaigns, to particular publications, subscriptions and online services and if so wished time restricted. Discounts currently recorded for existing customers must be used by the Contractor's system. Discounts applicable for customers without negotiated agreements are highlighted in Basic Information Article 5 "General Discounts".
- 2.6.7** Discounts for booksellers, agents, distributors in general are highlighted in Basic Information but may vary on special agreements.
- 2.6.8** The Contractor shall prepare and despatch invoices showing the amount of Sales or Value Added Tax or similar Tax charged for publications and online services where this may be required by law.
- 2.6.9** The Contractor shall invoice in whatever currency is required by the Organisation, to be notified to the Contractor in writing. Currencies in use are presently Euro, USD, GBP, JPY and MXP. For JPY invoices and other documents showing JPY amounts, the Contractor's system must display Yen amounts without any decimals, *i.e.* "10,000" not "10,000.00".
- 2.6.10** The Contractor shall adhere to the rule that the currency of the billing list price used is driven by the bill-to address. There shall be no calculation of prices using exchange rates.
- 2.6.11** The Contractor shall invoice customers without shipping books or CDs in cases when the Organisation has despatched the publications directly to customers from the printers. In general, this only occurs with bulk orders for OECD's Member Countries and author networks.
- 2.6.12** The Contractor shall send invoices along with the consignment to customers within three (3) working days of receipt of the order, incorporating trading terms specified by the Organisation. It must be possible to add marketing information to an invoice or to each product line of an invoice. In addition, the Contractor should be able to add a separate piece of marketing material to accompany orders or correspondence.
- 2.6.13** Acceptance and processing of Credit Card Payment: the Organisation is set up to accept Visa, MasterCard, and American Express besides the "classic" methods of payment, *i.e.* checks, cash, and bank transfers; Contractor's systems should be able to accommodate processing of payments on all three cards. The ability to accept other cards would be an advantage (to be specified by the Contractor).

2.6.14 Invoices, pro-forma, renewal notices must carry OECD's bank accounts information on the back page.

2.7 CREDIT CONTROL AND PAYMENT PROCESSING

2.7.1 The general rule is that order processing is based on a pro-forma policy. Customers must prepay their orders. The Organisation can authorise the opening of a credit account according to its Credit Policy.

2.7.2 The Contractor shall in the case of credit accounts dispatch publications according to the credit limit allocated to customers in advance of payment by the customer. In these cases, customers will be advised by the Contractor when payment is due.

2.7.3 The Contractor shall in the case where customers do not have a credit account require payment in advance of despatch of publications/setting up online access.

2.7.4 The Contractor shall implement procedures for the collection of all payments due from customers in respect of publications sold to them by the Organisation.

2.7.5 The Contractor shall match cash received against appropriate invoices and pro-forma.

- When the customer is identified and there is inadequate information with the payment the Contractor shall contact the customer i.e. by telephone/fax/e-mail within 48 hours of receiving the payment to obtain the necessary information to match the payment to an invoice or proforma.

A second attempt to identify the remittance should be made in a written form i.e. e-mail/fax/letter within 10 working days.

A third attempt should be made in a written form (i.e. e-mail/fax/letter) within 20 working days.

These unidentified receipts/remittances should be posted to General Ledger accounts in a consistent and systematic way.

- If the customer cannot be identified the Contractor must use the online search facility or contact the bank for details of the remittance within 48 hours of receipt, and follow the steps above to obtain details from the customer.

2.7.6 In the event that a customer's cheque is returned unpaid by the bank the Contractor shall put customers with accounts on hold, request a new payment within forty eight (48) hours, and if no payment is received within twenty one (21) days, suspend further deliveries and/or access to electronic products.

For all other customers, contact the customer and request a new payment within 48 hours and where possible shipments and access to electronic products should be suspended.

2.7.7 The Contractor shall chase unpaid invoices according to the following schedule:

- First reminder, including statement of accounts and accompanying letter, sent at next month end when thirty (30) days or more overdue.
- Second reminder, including statement of accounts and accompanying letter, sent at next month end when sixty (60) days or more overdue.

- Any invoices remaining unpaid thirty (30) days after the sending of the second reminder are classified as Bad Debts.
- Mid of each month reminder run and production of statement of accounts shall be processed for the previous month.

2.7.8 The Contractor shall pass to the Organisation Bad Debts after two (2) statements and accompanying letters have been issued by the Contractor. Chasing Bad Debts is the responsibility of the Organisation. The Contractor and the Organisation may define different areas of responsibilities for the taking care of Bad Debts.

2.7.9 Monthly statement of accounts shall be sent to Distributors, Subscription Agents and Booksellers (as defined by the Organisation) regardless of unpaid invoices and payments due date.

2.7.10 On at least a monthly basis, the Contractor shall maintain and make available to the Organisation a complete file of aged debtors. On receipt of the file of debtors, the Organisation shall inform the Contractor if the Organisation wishes to cease trading with any of the Bad Debtors in which case the Contractor shall cease immediately to process orders from the debtors although it shall accept and process any payments received from such debtors in respect of the outstanding debt.

2.8 WAREHOUSING AND STOCK CONTROL

2.8.1 Any stock information and report must be available online through a secure and password protected Internet site and/or a special program dedicated to be used by any assigned unit of the Organisation at any time.

2.8.2 All publications supplied by the Organisation shall remain the sole and absolute property of the Organisation in law and in equity until title to the publications passes to the customers. All publications returned by customers after delivery are also the sole and absolute property of the Organisation. The Contractor acknowledges that it stores the publications on its premises solely as bailee for the Organisation, and that title in the publications never passes to the Contractor.

2.8.3 The Contractor remains responsible for stock for purely sales purposes being despatched to OECD sales points and to other consignees defined by the Organisation.

2.8.4 The Contractor shall store the publications in a manner that makes them readily identifiable as the goods of the Organisation.

2.8.5 The Contractor shall accept delivery of publications from printers or other sources and report to the Organisation the dates that publications are received and on any copies received in a damaged condition.

2.8.6 The Contractor shall physically count the parcels of publications and electronically record stock numbers.

2.8.7 In case publications have been received from printers and sources others then the Organisation the Contractor must ship directly required copies to the Organisation's Headquarters for the Institutional Distribution. The Contractor must be able to carry out the complete Institutional Distribution if required.

2.8.8 The Contractor shall carry out a full physical count of stock, during the course of each financial year and report the results to the Organisation. A representative of the Organisation will be present during the count process. If the difference between the computer stocks and physical count exceeds two per cent (2%), on an overall basis, the Contractor shall be charged for fifty per cent (50%) of the difference at stock value evaluated at ten per cent (10%) of list price.

- 2.8.9** The Contractor shall provide the Organisation with a report of receipts, movements, and disposals of stock for the reconciliation of all stock against all publications.
- 2.8.10** The Contractor must be able to provide at any time, by product code, a reconciliation of stock movement to the Contractor's permanent inventory records for each category of stock (books and periodicals), as means of inventory control. Inventory control must be completed in quantity for ISBN and ISSN products and in value for ISBN products.
- 2.8.11** The Contractor shall adjust stock level records of publications to take account of despatch of free copies, *e.g.* for review and on-approval items.
- 2.8.12** The Contractor shall maintain stock at all times in a clean and ordered condition.
- 2.8.13** The Contractor shall inform the Organisation about any losses of stock or damage to stock arising from the time that the Contractor accepts delivery of the same. A report on any loss or damage shall be supplied to the Organisation as soon as any loss or damage becomes known. The loss or damage shall be the responsibility of the Contractor. The Contractor shall not be responsible for the Organisation's stock once it has been dispatched.
- 2.8.14** The Contractor shall on receipt of written instructions from the Organisation dispose of or destroy the stock and supply a certificate of destruction.
- 2.8.15** The Contractor shall provide the Organisation with low-stock alarm lists of publications where the level of stock has fallen below twenty (20) copies for printed publications, five (5) copies for CD-ROMs. The Organisation may vary the low-stock threshold on a title-by-title basis.

2.9 FINANCE AND ACCOUNTING REQUIREMENTS

- 2.9.1** As the OECD financial statements are based on International Public Sector Accounting Standards (ISPAS), based on International Accounting Standards (IAS), the Contractor shall enable accounting of publication revenues according to the accrual method, to provide revenue recognition based on the particular delivery (issuance) date.
- 2.9.2** The Contractor shall set up a Chart of Accounts corresponding to the Organisation's Finance System (SAP).
- 2.9.3** The Organisation will notify the Contractor monthly by electronic mail of the exchange rates to be applied. The Contractor shall convert all transactions using the specified rates.
- 2.9.4** The Organisation has established OECD-owned bank accounts (JP Morgan accounts in Germany for Euro, in Japan for JPY, in the United Kingdom for GBP, and in the United States of America for USD) to which the Contractor shall make weekly deposits of payments received. The Organisation may establish additional accounts for currencies as needed.
- 2.9.5** The Contractor shall execute monthly bank reconciliations for the OECD-owned bank accounts.
- 2.9.6** The Contractor shall make available summary financial data from the Contractor's system to the Organisation's finance system (SAP) nominal ledger by at least weekly updated financial web reports. Data from all reports must be downloadable by the Organisation in either MS Excel or CSV format.

- 2.9.7** The reports generated from the processing of accounting transactions shall be the basis for OECD accounting of the sales of publications and online services. The Contractor shall provide detailed information on sales and cash collection and shall be held responsible for the quality and the availability of that information.
- 2.9.8** The Contractor shall retain financial records for a period of five (5) years from the date of the original order for proper audit trail purposes.
- 2.9.9** The Contractor must ensure conformity with Sales or Value Added or similar Tax requirements.
- 2.9.10** The Organisation will notify the Contractor of all payments it receives relating to orders despatched by the Contractor within one week of receipt of a confirmed notification of such payment, using the templates developed by the Contractor.
- 2.9.11** The Contractor shall receive returned publications from customers and arrange for refunds to customers. All refunds are subject to authorisation and approval by the Organisation.
- 2.9.12** When a subscription to a serial publication has been duplicated, the Contractor shall arrange a refund of the duplicated fee to the Customer.
- 2.9.13** The Contractor shall not have authorisation to transfer funds from the Organisation's bank account(s) so it is necessary to process refunds in conjunction with OECD's Budget and Finance Service. Refunds will be executed in the same manner in which the payment was made. Hence, refunds for payments by check will be made by check. Payments received by electronic bank transfers will be returned in the same manner. In issuing a refund the Contractor shall send a detailed list of refund requests to the Treasury Division of the OECD. For proper audit trail the details should include name of customer, customer mailing address, invoice number, amount of refund, date of receipt of customer payment, reason for refund, method of payment, and customer banking instructions by Electronic Fund Transfers (EFTs).
- 2.9.14** Orders will be held when the customer's credit limit exceeds a hundred and ten per cent (110%) of the designated limit. Shipments of orders will continue if under a hundred and ten per cent (110%) of the credit limit.
- 2.9.15** Over payments from clients will be retained and reported as gains unless otherwise specified on a case by case basis for material amounts. The maximum for an under payment from a client is fifteen euros (15 €) or currency equivalent. The under payment will be recorded as a loss.

2.10 REPORTING

- 2.10.1** The Contractor shall use the information related to the sale of the publications and online services to produce complete and accurate reports. This includes report requirements defined in any other Chapter of this Call for Tender. Any information and report must be available online through a secure and password protected Internet site and/or a special program dedicated to be used by any assigned body of the Organisation at any time.
- 2.10.2** In addition, the Contractor shall produce weekly data back-ups (raw data on sales of publications and online services), to be provided in a common CSV format, and in database tables exploitable by MS SQL Server or MS Access. The Organisation will use those data for advanced internal reporting. The transfer of information will be done by an agreed method.

- 2.10.3** All Sales and Marketing reports shall be in the base currency (Euro) of the Organisation. The reports and data related to the sale of the publications and online services and services shall at least generate the following:
- Stock by product.
 - Sales by product.
 - Sales by customer.
 - Geographic sales (by country).
 - Sales by customer type using customer profile codes.
 - Sales by OECD Directorate coded by OECD product code.
 - Sales by product type (coded by OECD product codes).
 - Sales by campaign code.
 - Renewal statistics.
 - Invoiced credit sales to customers.
 - Returns.
 - Damaged stock.
 - Low stock reports.
 - Stock movements to, from and between OECD sales points and from central stock to customers.
 - Destroyed stock.
 - Actual distribution and shipping costs.
- 2.10.4** The Contractor shall make sales and marketing data on the publications and online services and services accessible for a three-year period from the date of the sale, which will allow identification of particular purchasers of particular publications and online services.
- 2.10.5** All Financial reports shall be in the base currency (Euro) of the Organisation if not stated otherwise by the Organisation. The reports and data shall at least generate the following:
- Aged Debtors (Base Currency) by account name and/or by document date.
 - Aged Debtors (Foreign Currency).
 - Bad debts and delinquent payers.
 - Banking Schedule – daily banking lists, by currency.
 - Customer Statements.
 - Copies of invoices and pro-forma using the original layout.
 - Daily Credit Card Report – by merchant number, by card type, by currency.
 - Inventory Stock – tracks and reconciles stock movement by location and by product (includes details by type of movement, i.e. additions to stock, deductions for shipments, damaged stock, free issues, etc. from beginning of period balance to end of period balance).
 - Held Orders Report.
 - Nominal Detail Report.
 - General Ledger – transactions by nominal account.
 - Sales Ledger Accounts Master Details Report.
 - Sales Ledger Receipts – by currency.
 - Number of sales ledger transaction processed.
 - Number of sales ledger receipts processed.
 - Number of payment transactions processed regarding pro-forma.
 - Number of payment transactions processed regarding renewal notices.
 - Number of credit card transactions processed.
 - Number of cheques banked.
 - Sales Ledger (A/R) Accounts Details, Sales Ledger Receipts.
 - Report on unprocessed and unidentified payments.
 - Transaction by Nominal and Cost Centre.
 - Trial Balance.

2.10.6 At each month end financial reports (*e.g.* aged debtors) must be generated automatically by the Contractor's accounting system and made available to the Organisation online or other suitable method. They must be retained until the following month end.

2.11 BACKUPS

2.11.1 Accounting Data

The Contractor shall provide a complete accounting data back-up on a monthly basis in addition to the financial reports including data for Aged Debtors (Base Currency), Aged Debtors (Foreign Currency), Index Reports, Nominal Detail Report, Sales Ledger (A/R) Accounts Details, Sales Ledger Receipts, Statements, Transaction by Nominal and Cost Centre, Trial balance., provided in a common format, exploitable SQL database management system, MS SQL Server or MS Access. The accounting data back-up includes all related tables, definitions of used indices and abbreviations accompanied by expressive file, table, record and field descriptions.

2.11.2 Order Processing Data

The Contractor shall provide weekly data back-ups (raw data on sales of publications and online services), to be provided in a common CSV format, and in database tables exploitable by MS SQL Server or MS Access.

Content of the weekly data back-up is a set of all data used and stored in the software system operated by the Contractor for the purposes of fulfilment, distribution and customer service relative to all activities to the Organisation. Mainly but not exclusively address files, customer files, product files, sales and inventory files and all tables, definitions of used indices and abbreviations accompanied by expressive file, table, record and field descriptions.

2.11.3 General Backup

The Contractor retains responsibility to secure all data order processing databases and accounting databases together with the application software. The backup schedule is as follows:

- **Daily – Monday to Thursday.** Copies are taken and the backup device remains on site. The tapes are overwritten each week.
- **Weekly - Friday night / Saturday morning.** Four (4) weekly cycle backup devices *i.e.* overwritten every fourth week. The copy is kept off site.
- **Monthly at Month end.** Twelve (12) monthly back-ups are used and each is kept off site for seven (7) years.

2.12 ARCHIVE SYSTEM

The Contractor shall maintain an archive system for storing all relevant documents concerning customer orders in order to provide those documents (original or copy) within three (3) working days to the Organisation on request; further to use the documents if needed to fulfil requirements in claim processing, credit control and payment processing.

2.13 ROYALTIES

2.13.1 The Contractor shall manage a system for logging royalty schedules and for calculating payments to authors for publications and online services. The Organisation will specify the royalty calculations.

2.13.2 The Contractor shall provide royalty reports electronically and royalty statements for publications and online services quarterly as per the specification agreed with the Organisation.

2.14 AUDIT REQUIREMENTS

- 2.14.1** The Contractor agrees to the periodic verification of financial information by the auditors of the OECD (either by its internal or external function), either on an ad hoc spot-check basis, or as part of the Organisation's year-end closing of the accounts.
- 2.14.2** As a minimum, these verifications shall comprise:
- Physical inventory counts for OECD publications and all other OECD material being held by the Contractor on behalf of the Organisation, and/or
 - Reasonableness checks of the invoicing level, of accounts receivable and of whatever bank transactions the Contractor shall carry out on behalf of the Organisation.
- 2.14.3** Upon request, the Contractor shall provide the Organisation with any relevant supporting documentation, in paper and in electronic form.
- 2.14.4** Advanced notification of such audits, and requests for any relevant supporting documentation required, shall be made by the OECD auditors.

2.15 PERFORMANCE MONITORING

- 2.15.1** A contract places certain performance obligations on the Contractor. Whilst mechanisms need to be put in place to ensure that these requirements are met. Future issues should be anticipated and raised to ensure that action can be taken to address them before they become serious concerns.
- 2.15.2** All performance data has been benchmarked against best industry practice.
- 2.15.3** The Contractor shall provide monthly reports in an electronic format as follows:
- Goods receipts and put away times.²
 - Permanent physical inventory for at least ten (10) books, CD-ROM and five (5) issues of serial publications as indicated by the Organisation on a monthly basis.²
 - Information on goods received (date, time and quantity).²
 - Orders received analysis by type (subscriptions, standing orders, other, etc.), by cash or credit transaction will be contained in sales reports.
 - Processing turnaround times. The report should also show the number of orders outstanding as at the reporting period and the estimated number operator days required to catch up on any backlog.²
 - The number of orders received from the Centres for normal orders and over-the-counter sales.
 - Number of telephone calls received by the Contractor, analysed by country or OECD Centre. Such enquiries/complaints should be categorised.
 - Number of claims received and outstanding, broken down by reason for the claim (where known), *i.e.* wrong item picked, damaged item, inadequate packing, lost in transit etc.²
 - The number of payments received/awaiting processing/still to be reconciled.
 - Software system availability. All down time outside of scheduled maintenance periods must be reported.

² Internal Audit Recommendation

2.16 CONTRACT MANAGEMENT

2.16.1 The Organisation will appoint a single Contract Manager, at a senior level, to take operational decisions on a day-to-day basis. It is expected that the Contractor shall appoint a Contract Manager to manage the contract on its behalf who will be empowered to negotiate changes to the contract and who will be the point of contact between the Contractor and the Organisation.

2.16.2 The Contract Managers are at least responsible for:

- Establishing effective mechanisms for open and proactive management of the contract.
- Acting as the focal point for all significant day-to-day contractual issues and requirements on behalf of PAC HQ, the Centres and OECD internal departments (Budget/Finance, ITN, etc.).
- Resolving initial contractual issues and disputes. All issues that cannot be resolved or are determined to be beyond the Contract Manager's delegated powers must be escalated to the Programme Sponsor or his nominated deputy within twenty four (24) hours of the Contract Manager becoming aware of such circumstances.
- Deciding on official offers according to the rules of the organisation e.g. software adjustments, report adjustments, new reports to make sure that the needs of the Organisation are covered.
- Setting up a system of prioritising, recording and monitoring issues rose with the Contractor and their resolution. Each level of priority must have an agreed designated response time from the Contractor or OECD internal departments. Where these responses are not obtained the issue must be escalated to the next level of priority. All priority 1 issues (e.g. system down and completely inoperable for more than four (4) hours during the working day) must be notified to PAC senior management.
- Establishing a regular stock delivery system and schedule. OECD and the Contractor will agree a set weekly delivery schedule (e.g. delivery every Thursday at 1200 noon).
- Establishing priorities for order processing (e.g. orders from the Centres or from nominated categories of customer or from particular territories to have a higher priority) and for the release of dues and of standing orders.
- Undertaking spot checks of order processing times.
- Meeting regularly (not less than once every two weeks) with the Contractor to discuss operational issues and performances during the implementation phase. When the operation is running smoothly, meetings may be reduced in frequency to monthly, as is judged appropriate.
- Ensuring that monthly performance statistics are produced as agreed (see below) and circulated to PAC and Centre Management.
- Organising quarterly liaison meeting at minimum between PAC Senior Management (including other OECD invited parties) and the Contractor to discuss management of the contract.

Read and approved:

In:

Done on:

Signature by a person having authority to conclude: