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**CONTRACT**

**No. xxx/2019-ČRA**

Between

Contract Owner: **Czech Republic – Czech Development Agency**

Represented by: Ing. Pavel Frelich - director

Residence: Nerudova 3, 118 50 Prague 1

Contract owner’s contact person: Ms. Petra Mojžíšová

Phone: +420 251 108 171

E-mail: mojzisova@czechaid.cz

Identification number: 75123924

Bank connection: Czech National Bank, Na Příkopě 28, Prague 1

Account Number: 0000 – 72929011/0710

(hereafter „CzechAid“ or “Contract Owner”)

and

Supplier: **xxxx**

Represented by: xxx

Residence: xxx

Supplier’s contact person: xxx

Phone: xxx

E-mail: xxx

Registration number: xxx

Tax identification number: xxx

Supplier’s registration documents form Annex no. 4 to this Contract.

(hereafter „Supplier “)

**for work done**

**1. Subject of the Contract**

1.1. The Supplier hereby undertakes to perform complete construction of the Regional Educational and Consultation Apicultural Centre as described in project documentation with all necessary objects and technical parts as a full functional house (hereafter ,,work“).

1.2. The work is further specified in Annex no. 1 – Bill of Quantity, Annex No. 2 – Technical specification of the works and Annex no. 3 – Project documentation.

1.3. The Supplier undertakes to perform the work duly, in time according to Annex No. 5 – Time schedule. The Supplier undertakes to perform the work on its own risk and costs. The CzechAid undertakes to take over the work and pay the price for work according to this Contract.

1.4. The work constitutes the project “Construction of the Regional Educational and Consultation Apicultural Centre” (hereafter ,,project”) in VAKE District, parc. No: 01.14.06.003.037 Tbilisi City, Georgia.

1.5. The performance of the work is finished after the work has been taken over by the CzechAid or person authorized by the CzechAid and the recipient of the project – Agora, Union-Association (Sarajishvili st.6, 0159, Tbilisi, Georgia).

Taking over of the work shall be confirmed in writing in a handover protocol, its Annexes and a warranty agreement specifying the warranty conditions in detail (the form will be provided by the Contract Owner).

Handover protocol Annexes will consist of a declaration of conformity of delivered materials and used technologies and a document proving the deposit of waste in an official landfill. In case of findings of defects or unfinished works, handover protocol Annex will be also a summary of defects and unfinished work (include time specification of defects removal).

In case of findings of defects or unfinished works, the performance of the work is considered to be finished after signature of written protocol confirming removal of specified defects and unfinished works by the CzechAid or person authorized by the CzechAid and the recipient of the project - Agora, Union-Association (Sarajishvili st.6, 0159, Tbilisi, Georgia).

1.7.Total period of the work performance is 7 months after signature of the Contract.

**2. Terms of Payment**

2.1. The CzechAid shall reimburse the Supplier for performance of the work in the amount of xxx EUR (in words: XXX) including VAT (hereafter ,,price“). The price is final. Any additional or cancelled work must be approved by the CzechAid in a written form before the commissioned work starts.

The price will be paid in several payments. The CzechAid undertakes to provide the Supplier with an advance payment in the amount stated below. All payments shall be issued based on the proper requests of payment of the Supplier. The payments except the advance payment are tied to the phases of construction process.

The payments will only be done in EUR.

Figures in the Supplier’s invoices will be in EUR.

The request for the payment shall be admissible only if accompanied by the relevant invoice issued by the Supplier and in accordance with this Contract.

In case of any documents annexed to the invoice (handover protocol, final report, protocol confirming removal of specified defects etc.), such document shall be approved by the CzechAid before issue of the invoice.

The CzechAid will reimburse each invoice within the maturity specified in Article 2.4 of this Contract.

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| **Phase** | **Payment amount** |
| *Advance payment*  *Supplier will issue an invoice in the amount of 5 % of the contracted amount after this Contract comes into effect.*    *The Supplier is obliged to carry out respective activities corresponding to the amount of advance payment within one month after receiving the advance payment.* | *5 % of the price, i.e. xxx EUR incl. VAT* |
| *Payment no. 1 - Will be issued after establishing of the construction site and the completion of the excavation work and the foundation of the building (block of works “A”)*  *The Supplier will arrange an inspection day, where the Supplier shall submit the current status of completion. After all documents will be approved by the Contract Owner, the Supplier will issue an invoice in the amount of 30 % of the contracted amount.* | *30 % of the price, i.e. xxx EUR incl. VAT* |
| *Payment no. 2 – Will be issued after finished construction of all partition walls within the block of works “A” – Construction works and Interior – architectural part*  *The Supplier will arrange an inspection day where the Supplier shall submit the current status of completion. After all documents will be approved by the Contract Owner, the Supplier will issue an invoice in the amount of 25 % of the contracted amount.* | *25% of the price, i.e. xxx EUR incl. VAT* |
| *Payment no. 3 – Will be issued after finalization of all block of works “A” – “K”*  *The Supplier will arrange an inspection day where the Supplier shall submit the current status of completion.*  *Also, the handover protocol will be presented and signed, including all the requested Annexes. After the approval of the handover protocol by the Contract Owner, the Supplier will issue an invoice in the amount of 35 % of the contracted amount.* | *35 % of the price, i.e. xxx EUR incl. VAT* |
| *Payment no. 4 – Invoice covering the remaining price will be issued by the Supplier after performance of the work is finished, a warranty agreement is confirmed by all parties and final report is approved by the Contract Owner.*  *The invoice should also include copy of protocol confirming removal of specified defects and unfinished works, if such findings were stated in the handover protocol of the building by Contract Owner no longer than 6 months after takeover.* | *5 % of the price, i.e. xxx EUR incl. VAT* |

2.2. Price for performance of the work is equal to the sum of the item prices in the Bill of Quantity (see the Annex no. 1 to this Contract). In case there will be any additional or canceled works, item price for such works, which shall be implemented in higher or lower quantity, will be specified based on the item prices, stated in the Bill of Quantity. Item price for additional works, which are not specified among the item prices in the Bill of Quantity, will be specified as an open market value related to the place and time – by an agreement of the CzechAid and Supplier.

2.3. The first payment will be issued by the CzechAid as an advance payment no later than 10 days after the effective day of this Contract. The Supplier is obliged to officially take over the construction site in 3 days after the advance payment will be released from the CzechAid bank account. The CzechAid will inform the Supplier about release of the payment by email sent to the Supplier´s contact email address stated in this Contract. By the official handover of the construction site, the work is considered to be initiated. The Supplier is obliged to carry out respective activities corresponding to the amount of advance payment within one month after receiving the advance payment. The Supplier agrees to provide accounting statement on the advance payment no later than two months after receiving the advance.

2.4. The CzechAid shall reimburse each invoice to the Supplier within 21 days of the date on which the request for payment was approved by the CzechAid. The approval may be subject to positive statement from independent technical supervisor about the finished activities. In case of misconduct findings, the invoice will be reimbursed after implementation of corrective measures recommended by the technical supervisor and subsequent control. Corrective measures will be implemented at the expense of the Supplier.

2.5. The amounts mentioned above will be paid only by bank transfer to the following account opened in the name of the Supplier:

Bank of beneficiary (name): xxx

Address of the bank: xxx

Account Number: xxx

SWIFT-BIC: xxx

IBAN/Beneficiary’s account n.: xxx

Name of the corresponding bank: xxx

Address of the corresponding bank: xxx

Corresponding bank SWIFТ: xxx

2.6. In case of delay in performance of the complete work the Supplier shall pay contractual penalty in the amount of 125 EUR for each day of delay.

**3. Obligations of the Supplier**

The Supplier undertakes:

3.1. To ensure service and utilize the money paid by the CzechAid exclusively for the purpose of the work and in accordance with the terms and conditions set out in this Contract.

3.2. To observe any applicable laws in the execution of this Contract, and to hold the CzechAid harmless of any claims from third parties (including State authorities) related to the execution of this Contract.

3.3. To perform the work duly and in time and in accordance with respective laws, technical standards and other respective regulations and permits and conditions imposed by the Georgian administrative bodies and legislation.

3.4. To perform all activities including manipulation with material dangerous for environment or for the health of the public (e.g. asbestos) with the utmost caution in order not to endanger the health of any person and with respect to the environment. The Supplier shall take reasonable precautions to meet the aforementioned conditions.

3.5. To ensure waste disposal in accordance with any applicable laws and regulations and cleaning of the construction site after finishing activities stated in Article 1. of this Contract.

3.6. To provide all permits (especially construction permit in case of necessity) in cooperation with the recipient of the project, licenses and other documents including costs related thereto, if any, for works, equipment, materials, and goods required for the execution of the project and to enable the project personnel to carry out their functions related to the execution of the project.

3.7. To record the progress of construction works in the construction diary on a daily basis and enable to look in it and make copies or photos of it to the representative of the CzechAid, supervisors authorized by the CzechAid or any other person authorized by the CzechAid.

3.8. To cooperate in organization of inspection day once a week. Output of the inspection day in minimal extent is following: general evaluation of the implementation, fulfillment of conclusions from the previous inspection day (or project phase), proposals for measures to control the next inspection day (or project phase). Minutes from the inspection day will be noted to the construction diary. Participants of the inspection day are: representative of the Supplier, representative of the recipient of the project, representative of the CzechAid, supervisors authorized by the CzechAid or any other person authorized by the CzechAid.

3.9. To enable control of work by representative of the CzechAid, independent technical supervision authorized by the CzechAid and any other person authorized by the CzechAid on the premises of the construction site for the purpose of project supervision, monitoring and evaluation and to provide all information and project documentation required by representative of the CzechAid, independent technical supervision authorized by the CzechAid and any other person authorized by the CzechAid.

3.10. To provide professional experience for xxx persons from group of Internally Displaced People (IDP) (hereafter, “person”) per week in minimum length of 20 hours per week per 1 person. The persons will be selected in cooperation with representatives of Agora, Union-Association. In case there will be not possible to ensure requested minimal number of the persons due to the lack of their interest, the number could be temporarily decreased.

The Supplier undertakes to pay to the persons wage or other remuneration for their work in the minimal amount 6 GEL at minimum per hour (net income). The Supplier shall be responsible for the safety of the persons and shall provide for them proper working and protective tools (helmets, protection glasses, gloves, respirators if necessary, etc.) and appropriate working equipment. The Supplier shall give the persons thorough instruction about safety and security before their start of work on the construction site and also ensure the safety and security during the work. The Supplier shall prove to the CzechAid involvement of the persons by weekly statements. Weekly statement shall include names of the persons working on the construction site, number of working hours and paid wage. Each weekly statement needs to be confirmed by signature of the representative of Agora, Union-Association and CzechAid technical supervisor. The Supplier will send weekly statements for each month to the CzechAid within 10 days from the end of the month.

If the Supplier fails to fulfill obligation to provide professional experience to the persons or to provide weekly statements as specified above, the Supplier shall pay to the CzechAid contractual penalty in the amount of 250 EUR for each breach within 10 days from the day when CzechAid exercises right to the contractual penalty.

The Supplier isn´t obliged to pay contractual penalty in case of failing to fulfill obligation to provide professional experience to the persons due to the lack of their interest. In such case official letter from Agora, Union-Association in Tbilisi needs to be submitted to the CzechAid to prove lack of interest of the persons.

3.11. IDP status of the persons hired by the Supplier for work shall be proved by any official document confirming such information. Copies of such documents confirming IDP status will be delivered to the Contracting Authority together with statements confirming IDPs work.

3.12. To provide final report about performance of the work to the CzechAid. Each activity shall be documented also by photos.

**4. Patents, licenses and intellectual property**

4.1. The Supplier undertakes to protect the CzechAid against all third-party actions for breach of copyright or other intellectual property rights, which might arise out of this Contract.

4.2. The Supplier declares that it is the rightful owner of the intellectual rights to all information supplied by virtue of this Contract, and that it is entitled to sell or transfer those rights in accordance with the terms of this Contract. If intellectual rights are the property of third parties, the Supplier shall request those third parties to confirm to the CzechAid, in writing within four weeks following signature of the Contract, that the Supplier is indeed entitled to sell or dispose of those rights in accordance with the terms of this Contract.

4.3. When the provision of services involves the use of a patent, certificate of utility (utility model), trademark, industrial drawing or model belonging to a third party, the Supplier shall indemnify the CzechAid against infringement proceedings brought by that party.

4.4. The CzechAid and the Supplier shall exchange all information on any industrial property right that could impede the performance of the Contract.

**5. technical documentation**

5.1. The Supplier shall provide to the CzechAid any update of the technical documentation. Update of the technical documentation shall be provided free of charge in the term requested by the CzechAid.

5.2. The Supplier shall permit the CzechAid to reproduce all or part of the technical documentation provided for its internal needs, directly connected with use by its personnel. The CzechAid shall ensure that any indication concerning the intellectual property rights appearing on the original copies is reproduced.

**6. quality and standards**

6.1. The Supplier undertakes to perform the Contract to the highest professional standards. The Supplier shall have sole responsibility for complying with any legal obligations incumbent on him, notably those resulting from Georgian building and construction legislation, employment, tax public health and social legislation.

6.2. The Supplier shall have sole responsibility for taking the necessary steps to obtain any permit or license required for performance of the Contract under the laws and regulations in force at the place where the tasks assigned to him are to be executed.

6.3. The Supplier must ensure that any staff performing the Contract has the professional qualifications and experience required for the execution of the tasks assigned to him.

6.4. The Supplier shall neither represent the CzechAid nor behave in any way that would give such an impression. The Supplier shall inform third parties that he does not belong to the Czech public service.

6.5. The Supplier shall have sole responsibility for the staff that executes the tasks assigned to him.

6.6. Should the Supplier fail to perform his obligations under the Contract in accordance with the provisions therein, the CzechAid may - without prejudice to its right to terminate the Contract - reduce or recover payments in proportion to the scale of the failure. The CzechAid can only exercise this right after the Supplier does not repair such failure within 30 days from notification by the CzechAid.

6.7. The CzechAid can monitor compliance with the standards.

6.8. As a part of the handover procedure, the Supplier will prepare and sign the handover protocol with representatives of recipients - Agora, Union-Association (Sarajishvili st.6, 0159, Tbilisi, Georgia). The proposal of handover protocol will be presented to the CzechAid for approval in advance.

6.9. The Supplier hereby provides work warranty in the length of 24 months from the date of handover protocol signature (see hereinafter). In case of findings of defects or unfinished works, the warranty period starts from the signature of protocol confirming removal of specified defects and unfinished works. In case of finding of a defect on the work by the representatives of Agora, Union-Association in Tbilisi or by the CzechAid during the warranty period, the Supplier shall examine the defect without undue delay and remove the defect within 30 days from the day of request. A penalty of 50 EUR will be charged for each day of delay.

6.10. Supplier must communicate and share all serious, important or relevant information about the project with representatives of the Contract Owner.

6.11. The Supplier is committed to state that the project was financed from the state budget of the Czech Republic within the framework of the Czech Development Cooperation when using the results of the project for scientific, research and publication reasons, same as when providing any information concerning the project to third parties. All published materials and outcomes connected to the project during its implementation and after its conclusion will be marked by the logo of the Czech Development Cooperation. This logo will be provided to the Supplier by the CzechAid in electronic form. Anytime, when the Supplier uses his logo, there must be the logo of the Czech Development Cooperation at least of the same size next to it.

**7. liability**

7.1. The CzechAid shall not be liable for damage sustained by the Supplier in performance of the work. In case of construction downtime caused by waiting for the approval of the CzechAid or any other standpoint of the CzechAid, the CzechAid shall not be liable for damages sustained by the Supplier, for example loss of profit of the Supplier, additional costs for salaries of the construction workers, rent for the construction machines etc.

7.2. The Supplier shall be liable for any loss or damage caused by himself in performance of the Contract, including in the event of sub-Contracting. The CzechAid shall not be liable for any act or default on the part of the Supplier in performance of the Contract.

7.3. The Supplier shall provide compensation in the event of any action, claim or proceeding brought against the CzechAid by a third party as a result of damage caused by the Supplier in performance of the Contract.

7.4. The Supplier shall have sole responsibility for complying with any legal obligations incumbent on him regarding the performance of the services specified above, notably those resulting from Georgian construction laws, regulations, standards and normative.

7.5. The Supplier declares that he has liability insurance with insured damage in the amount at least of xxx EUR. He shall take out supplementary insurance against risk and damages as reasonably required by standard practice in the field. A copy of all the relevant insurance Contracts shall be sent to the CzechAid in case of request.

7.6. The Supplier declares:

* that he has not made and will not make any offer of any type whatsoever from which an advantage can be derived under the Contract,
* that he has not granted and will not grant, has not sought and will not seek, has not attempted and will not attempt to obtain, and has not accepted and will not accept, any advantage, financial or in kind, to or from any party whatsoever, where such advantage constitutes an illegal practice or involves corruption, either directly or indirectly, inasmuch as it is an incentive or reward relating to performance of the Contract.

**8. taxation**

The Supplier shall have sole responsibility for compliance with the tax laws, which apply to him. Failure to comply shall make the relevant invoices invalid.

**9. force majeure**

*9.1. Force majeure* shall mean any unforeseeable and exceptional situation or event beyond the control of the Contracting parties which prevents either of them from performing any of their obligations under the Contract, was not due to error or negligence on their part, and could not have been avoided by the exercise of due diligence. Defects in equipment or material or delays in making it available, labor disputes, strikes or financial problems cannot be invoked as *force majeure* unless they stem directly from a relevant case of *force majeure.*

9.2. If either Contracting party is faced with *force majeure*, it shall notify the other party without delay by registered letter with acknowledgment of receipt or equivalent, stating the nature, likely duration and foreseeable effects of the *force majeure*.

9.3. Neither Contracting party shall be held in breach of its Contractual obligations if it has been prevented from performing them by force majeure. Where the Supplier is unable to perform his Contractual obligations owing to force majeure, he shall have the right to remuneration only for tasks actually executed.

9.4. The Contracting parties shall take necessary measures to reduce damage to a minimum.

**10. Termination of the Contract**

10.1. The CzechAid reserves the right to terminate this Contract and the Supplier undertakes to repay all received funds in the following cases:

* If the Supplier fails to perform the work under the terms of this Contract, or
* If the Supplier fails to submit the required documents by the due date, or
* If the Supplier fails to fulfil any of the terms of this Contract, or
* Where the CzechAid seriously suspects the Supplier of fraud, corruption, involvement in a criminal organization or any other illegal activity detrimental to the CzechAid's financial interests.

With the exception of fraud, corruption, involvement in a criminal organization or any other illegal activity detrimental to the financial interests of the CzechAid, this right can only be exercised by the CzechAid in case such failure is not repaired by the Supplier within 15 days from notification by the CzechAid.

10.2. In case of *force majeure*, notified in accordance with Article 9.2., either Contracting party may terminate the Contract, where performance of Contracted services cannot be ensured until June 2019.

**11. suspension of the Contract**

Without prejudice to the CzechAid's right to terminate the Contract, the CzechAid may at any time and for any reason suspend execution of the Contract, pending orders or specific Contracts or any part thereof. Suspension shall take effect on the day the Supplier receives notification by registered letter with acknowledgment of receipt or equivalent, or at a later date where the notification so provides. Following suspension, the CzechAid may at any time give notice to the Supplier to resume the work suspended. The Supplier shall not be entitled to claim compensation on account of suspension of the Contract, of the orders or specific Contracts, or of part thereof.

**12. Amendments**

Any amendment to this Contract must be in writing, signed by the parties hereto; failing that, such amendment shall have no effect and be void.

**13. Applicable law and settlement of disputes**

13.1. The Contract shall be governed by the national substantive and procedural law of the Czech Republic.

13.2. Any dispute between the parties resulting from the interpretation or application of the Contract, which cannot be settled amicably, shall be brought before the courts of the Czech Republic.

**14. Final provisions**

14.1. The parties are aware of the fact that this Contract will be published in the Register of Contracts under Act no. 340/2015 Coll., on Register of Contracts because the CzechAid is a person obligated under this act, and the parties agree with the publication. The CzechAid undertakes to arrange the publication within 30 days from the signature of this Contract by both parties.

14.2. This Contract becomes valid on the day of its signature and effective upon its publication in the Register of Contracts. The CzechAid will inform the Supplier about effective date of the Contract by email sent to the Supplier´s contact email address stated in this Contract.

14.3. The Contract is done in three original counterparts – two for the CzechAid and one for the Supplier.

14.4. Done in Prague and in XXXXXX in English on ………………….………...2019

List of Annexes:

Annex No. 1 – Bill of Quantity

Annex No. 2 – Technical Specification of the Works

Annex No. 3 – Project Documentation (el. form)

Annex No. 4 – Supplier’s Registration Documents

Annex No. 5 – Time Schedule

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For and on behalf of the CzechAid For and on behalf of the Supplier

Ing. Pavel Frelich, director XXXXXXXXXXXXXXXXXXX