CIVIL ENGINEERING CONTRACT

FINANCED FROM AICS

Between

AICS office in Tirana represented by Mr Nino Merola

('The Contracting Authority'),

of the one part,

and

BIOTEK MACEDONIA, Zagrebska 28V, 1000 Skopje, Macedonia, represented by Mr. Dejan Sinadinov ('the Contractor')

of the other part,

have agreed as follows:

PROJECT "Support to the health system of Kosovo" CONTRACT TITLE "civil works for setting up a microbiology laboratory within UCCK"

Tender identification code: LOT 1: 7597593415

Whereas the Contracting Authority would like the Contractor to carry out the following works:

Adaptation of the an area of the infectious diseases ward of UCCK identified to host a microbiology laboratory

and has accepted a tender by the Contractor for the execution and completion of such works and the remedying of any defects therein.

It is hereby agreed as follows:

- (1) In this Contract, words and expressions shall have the meanings assigned to them in the contractual conditions set out below.
- (2) The following documents shall be deemed to form and be read and construed as part of this Contract, in the following order of precedence:
 - (a) the Contract.
 - (b) the Special Conditions (annex I)
 - (c) the General Conditions (annex II)
 - (d) the Technical and /or Performance Specifications (annex III)
 - (e) the Design Documentation (drawings) (annex IV)
 - (f) the breakdown of lump-sum price, (annex V)
 - (g) the tender (annex VI)

2 of

The various documents making up the contract shall be deemed to be mutually explanatory; in cases of ambiguity or divergence, they shall prevail in the order in which they appear above. Addenda shall have the order of precedence of the document they are amending.

- (3) In consideration of the payments to be made by the Contracting Authority to the Contractor as hereinafter mentioned, the Contractor undertakes to execute and complete the works and remedy defects therein in full compliance with the provisions of the Contract.
- (4) The Contracting Authority hereby agrees to pay the Contractor in consideration of the execution and completion of the works and remedying of defects therein the amount of:
 - Contract price (excluding VAT/other taxes) EURO 31 863,00.

or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the Contract. According to the Kosovar law, VAT and other taxes shall not be paid on the funds of the development assistance.

(5) The Parties agree to the set of rights and obligations described in the attached contractual documents, with the following main characteristics, further detailed in the attachments:

			Contract- article:
1	Price Lump sum contract		49
		Prices can not be revised	48
2	Duration	Two months implementation of works	
		Provisional acceptance, after completion of works	60
		Defects liability period of 365 days, after provisional acceptance	61
		Final acceptance, after expiry of defects liability period	62
3	Delay	0.1% of the contract price for every day of delay	
4	Supervisor	Lorik Rexhaj	
5	Sub- contracting	Allowed up to 50% of the contract price, with the main Contractor maintaining full responsibility	
6	Bank guarantees	Performance 10%	
7	Insurances	For damage to 3 rd parties, unlimited for bodily injury	16
		Contractor all risk insurance	16
		Insurance against accidents at work	16
	Total Section	Insurance for soundness of works	
8	Payments	100% if pre-financing is not requested - made upon conclusion of the works and following the issuance of the provisional acceptance certificate	

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In witness whereof the parties hereto have signed the Contract. This Contract shall take effect on the date on which it is signed by the last party, namely the Contractor.

Done in English in three originals, one original for the Contracting Authority, one original for AICS office in Tirana and one original for the Contractor.

For the Contractor

Name:

Dejan Sinadinov

Title:

Legal representative of Biotek for Macedonia and Kosovo

ДОО Друштво за промет и услуги, експорт-импорт, С К О П

Signature:

Date: 91 05, 200

For the Contracting Authority

Name:

Nino Merola

Title:

Representative of Italian Agency for Development Cooperation (Albania, Bosnia Erzegovina, Kososvo)

Signature:

Date:

Annex II

SPECIAL CONDITIONS

CONTENTS

These conditions amplify and supplement the General Conditions governing the Contract. Unless the Special Conditions provide otherwise, the General Conditions remain fully applicable. The numbering of the Articles of the Special Conditions is not consecutive but follows the numbering of the General Conditions. Other Special Conditions should be indicated afterwards.

Article 2 Language of the Contract

2.1 The language used shall be English.

Article 4 Communication

4.1 Following is the physical address of the Contracting Authority and the name of the contract person:

AICS Office in Tirana

Rruga Abdi Toptani, Torre Drin, 5 Tirana, Albania

Contact Name: Mr Nino Merola, AICS Representative

Email address: Segreteria.tirana@aocstirana.org

Article 5 Supervisor and Supervisor's representative

5.2 The supervisor of this contract is Architect. Lorik Rexhaj

Under this contract, the Supervisor does not delegate his duties and authority to a Supervisor's Representative.

Article 6 Subcontracting

Subcontracting is allowed up to an amount of 50% of the total contract amount. Contractors must deposit subcontractors with the contracting authorities at least 20 days before commencing the execution of the subcontract.

Article 9 Access to the site

9.1 The Contractor is obliged to give AICS representatives free access to its sites, factories, workshops, etc., and generally assist AICS representatives, like the project Supervisor, in the performance of his duties.

All correspondence between the Contractor and the Contracting Authority or project Supervisor must be copied, for information, to AICS representatives at the following official address:

AICS office in Pristina

Rr. Mujo Ulqinaku, 9 - Pejton - Pristina

or, by email to: segreteria.pristina@aics.gov.it

Page 1 of 4

Article 12 General Obligations

12.9 A plaque must be placed at the entrance of the laboratory inclusive of the official AICS and Ministry of Health of Kosovo logos. The supervisor shall inform the Contactor on the content of plaque inscription prior to the conclusion of the works.

Article 15 Performance guarantee

15.1 The performance guarantee is set at (ten) 10 percent of the contract value.

Article 16 Liabilities and Insurance

- 16.1 a) By way of derogation from Article 16.1, a) paragraph 2, of the general conditions, compensation for damage to the works resulting from the Contractor's liability in respect of the Contracting Authority to an amount of Euro 3 Million for injury or death; it is capped to twice the contract value of the contract for physical damages to the property of the beneficiary.
- 16.1 b) By way of derogation from Article 16.1, b), paragraph 2, of the general conditions, compensation for damage resulting from the Contractor's liability in respect of the Contracting Authority is capped at an amount equal to twice the contract value.

Article 17 Programme of implementation of tasks

- 17.1 The Contractor shall provide the Supervisor with a simplified programme of implementation of the tasks. This programme shall include at least the order and time limits in which the Contractor proposes to carry out the works, and shall be based on the tranches foreseen in art. 49.1 of the special conditions.
- 17.2. The Supervisor shall return this document to the Contractor with any relevant remarks within 10 days of receipt, save where the Supervisor, within those 10 days, notifies the Contractor of its wish for a meeting in order to discuss the documents submitted.

Article 21 Exceptional risks

21.4 not applicable

Article 34 Period of implementation of tasks

34.1 two months

Article 36 Delays in the implementation of tasks

36.1 The rate of liquidated damages for delays in the completion of works shall be 0.1% of the contract price for every day or part thereof which elapses between the end of the period of implementation of tasks and the actual date of completion, up to a maximum amount of 10% of the contract price or, if the contract is subdivided into phases, 10% of the price of the phase concerned.

Article 39 Work register

39.1 Not applicable

Article 40 Origin and quality of works and materials

Page 2 of 4

40.1 All goods purchased under the Contract may originate from any country.

For these purposes, 'origin' means the place where the goods are mined, grown, produced or manufactured and/or from which services are provided. The origines of the goods must be determined according to the EU Customs Code or the applicable international agreement.

40.2 The works and the objects, appliances, equipment or materials used in their construction must comply with the EU standards.

Article 43 Ownership of plant and materials

The equipment, temporary structures, plant and materials on the site shall for the duration of the execution of the works, be vested in the Contracting Authority.

Article 44: General principles for payments

- 44.1 Payments shall be made in Euro
- 44.2 The Contractor shall submit the invoice to AICS Office in Tirana Contact person:

Iris Reci, segreteria.tirana@aics.gov.it

- C.C.AICS office in Pristina Rr. Mujo Ulginaku, 9 Pejton Pristina.
- 44.3 By derogation, no pre-financing payment to the Contractor I foreseen.

Article 46 Pre-financing

46.2 By derogation to Article 46.2 of the General Conditions, no lump sum advance payment is foreseen for the implementation of this contract.

Article 47 Retention monies

47.1 No sum shall be retained under this contract.

Article 48 Price revision

48.1 Prices are fixed and shall not be revised.

Article 49 Measurement

49.1 This is a lump-sum contract.

Under the conditions imposed by the Special Conditions and General Conditions, the amounts due shall be calculated through the following tranches, expressed as percentage of the contract price:

Percentage	Nature	Timing	
100%	Interim payment of Article 50	upon conclusion of the works and following the issuance of the provisional acceptance certificate	

Article 50 Interim payments

Page 3 of 4

- 50.1 Interim payment in this contract shall be single by way of balance payment made upon conclusion of the works and following the issuance of the provisional acceptance certificate (art. 60 of the General Conditions).
- 50.7 The interim payments will be paid as determined in Article 49.1 of these Special Conditions.

Article 61 Defects liability

- 61.1 The defects liability period is defined as the period commencing on the date of provisional acceptance, during which the Contractor is required to make good any effect in, or damage to, any part of the work that may appear or occur during this period as notify by the Supervisor or the Contracting Authority. The rights and obligations of the parties with regard to this defects liability period are laid down in Article 61 of the General Conditions.
- 61.7 The defect liability period will be 365 days as stated in the general conditions

Article 68 Dispute settlement

Any dispute arising out of or relating to this Contract which cannot be settled otherwise shall be settled in accordance with the law of the country of the Contracting Authority, or where the contract authority is AICS by the Italian Law.

Article 72 Data Protection

Not applicable

Page 4 of 4