

GENERAL CONDITIONS OF CONTRACT
PROCUREMENT OF WORKS

1. Definitions

1.1

The **contract** is the contract between the procuring entity and the contractor to execute, to complete and maintain the works. The name of the contract is defined in the contract data.

The **bid form** is the form that the Bidder shall fill and submit with the Bid to The Procuring Entity.

Equipment is the contractor's machinery brought temporarily to the site to construct the works.

The **Intended Completion Date** is the date on which it is intended that the Contractor shall complete the Works. The Intended Completion Date is specified in the Contract Data. The Intended Completion Date may be revised only by the Procuring Entity by issuing an

key personnel only if their relevant qualifications and abilities are substantially equal to or better than those of the personnel listed in the Schedule.

4.2 If the Project Manager asks to the Contractor to remove a person who is a member of the Contractor's staff or work force, stating the reasons, the Contractor shall ensure that the person leaves the site within 72 hours and has no further connections with the works in the Contract.

5. Contractor's Risks.

5.1 From the Starting Date until the Defects Correction Certificate has been issued, the risks of personal injury, death and loss of or damage to property (including without limitation, the Works, Materials and Equipment) are Contractor's risks.

6. Insurance.

6.1 The Contractor shall provide all insurance in conformity with the Albanian laws, which are due to the Contractor's risks according to the point 5 of this GCC, covering the period from

9. The works to be completed by the Intended Completion Date.

9.1 The Contractor shall carry out the Works in accordance with the Program submitted by the him and complete them by the Intended Completion Date.

10. Safety.

10.1 The Contractor shall be responsible for the safety of all activities on the Site.

11. Correction of Defects.

11.1 The Project Manager shall give notice to the Contractor of any defect before the end of Defect Liability Period. The Defect Liability Period shall be extended for as long as Defects remain to be corrected.

11.2 Every time notice of a Defect is given, the Contractor shall correct the notified Defect within the length of time specified by the Project Manager's notice.

13. Uncorrected Defects.

13.1 If the Contractor has not corrected a Defect within the time specified in the Project Manager's notice, the Project Manager will assess the cost of Defect's correction and the Contractor will pay this amount or the Procuring Entity shall withhold this amount from statements of the estimated value of the works to be performed.

14. Bill of Quantities.

14.1 The Bill of Quantities shall contain items for the construction, installation, testing to be done by the Contractor.

14.2 The Bill of Quantities is used to calculate the Contract Price. The Contract Price is fixed. If the Project Manager will accept any variation, the payment for the relevant additional amount will be made using the fund for contingencies included in the items of Bill of Quantities. The Contractor is paid for the quantity of the work done at the rate in the Bill of Quantities for each item.

15. Changes in Quantities.

15.1 Ordered changes. Each change in the quantity of the works, ordered by the Procuring Entity, which will increase the Contract Price, shall be subject to a written Minute (Order) signed by the Procuring Entity. Such kind of orders will be prepared based on Procuring Entity's technical proposal and relevant calculations made by the Contractor based on unit rates of the Bill of Quantities for each item.

15.2 Changes in Quantities. If the final quantity of the work done differs from the quantity in the Bill of Quantities and the estimated value does not exceed the Provisional Sum included in the Bill of Quantities, the Procuring Entity shall adjust the rates to allow for the change.

16. Payment Certificates.

16.1 The Contractor shall submit to the Project Manager monthly statements of the estimated value of the work executed less the cumulative amount certified previously, the relevant amount of the advance payment, the retention for defects corrections, as specified in Contract Data.

16.2 The Project Manager shall check the works executed by the Contractor and shall certify the amount to be paid to the Contractor within 20 days from the date of payment certificate submission. The value of the work executed shall be determined by the Project Manager and shall comprise the value of the quantities of the items in the Bill of Quantities.

15.3 The value of work executed shall include the valuation of Variations and Compensation Events.

16. Payments.

16.1 The Procuring Entity shall pay the Contractor the amounts certified by the Project Manager within 8 days of the date of each certificate. If the Employer makes a late payment, this will be considered a compensation event.

16.2 Items if the Works for which no rate or price has been entered in the submitted offer, will not be paid for by the Procuring Entity and shall be deemed covered by other rates and prices in the Contract.

17. Compensation Events.

17.1 The following shall be Compensation Events:

- (a) The Procuring Entity does not give access to the Site possession in the date stated in the Contract Data.
- (b) The Project Manager orders a delay or does not issue Drawings, Specifications or instructions required for execution of the Works on time.
- (c) The Project Manager instructs the Contractor to uncover or to carry out additional tests upon work, which is then found to have Defects.
- (d) Public authorities, Procuring Entity or the Investor cause delays and additional costs for the Contractor.
- (e) The delayed advance payment or

Date is later than the Intended Completion Date. The total amount of liquidated damages shall not exceed the amount defined in the Contract Data. The Procuring Entity may deduct liquidated damages from payment due to the Contractor.

20. Advance Payment.

20.1 The Procuring Entity shall make an advance payment to the Contractor of the amount stated in the Contract Data after transferring on Site by the Contractor of machineries and equipment necessary for works' commencement.

20.2 The Contractor is to use the advance payment only to pay for materials and mobilisation expenses required specifically for execution of the Contract.

20.3 The advance payment shall be repaid monthly by deducting proportionate amounts from the Certificate of Payment submitted by the Contractor.

21. Security.

21.1 The Procuring Entity shall deduct from each payment due to the Contractor an amount calculated at the rate stated in the Contract Data as a guarantee for the quality of the works completed. These amounts will be paid to

submit it to the Procuring Entity within 30 days of receiving the Contractor's account. The Procuring Entity shall check the Contractor's work and notify the Contractor by a written note for any defects that are found asking the repair of the defect within 15 days of issuing this note. After the correction of the defect, if any, and the relevant corrections have been made in the final account, the Procuring Entity shall issue the Taking Over Certificate, discharging also the Contractor's performance security.

24. Termination.

24.1 The Employer, the Procuring Entity or the Contractor may terminate the Contract if the other party causes a fundamental breach of the Contract.

24.2 Fundamental breaches of the Contract shall include, but shall not be limited to, the following:

(a) the Contractor stops the work for 15 days when no stoppage of works is shown on the current program and the stoppage has not been authorised by the Project Manger;

(b) the Project Manager instructs the C

24.5 If the Contract is terminated, the Contractor shall stop the work immediately, make the Site safe and secure, and leave the Site within 15 days from receiving of the notice.

25. Payment Upon Termination.

25.1 If the Contract is terminated because of a fundamental breach of Contract by the Contractor, the Project Manager shall issue a payment certificate for the value of the work done and Materials ordered less advance payments received up to the date of the issue of the certifi

dispute/TOs0Ther party may require that dThe ispute/ be referred for resolution to dThree

Note. In case of Lump Sum contracts (as specified in the Contract Data):

- Clause 1.2 will be replaced as follows:

This is a Lump Sum Contract based on Priced Activity Schedule, as specified in the Contract Data.

- Clause 13.2 will be replaced as follows:

The Bill of Quantities is used to calculate the Contract Price. The Contractor is paid for the quantity of the work done at the rate in the Bill of Quantities for each item.

- Clause 14.2 will be deleted.

- Clause 16.2 will be replaced as follows:

Items for which no rate and price is entered the Bidder, shall be deemed covered by the other rates and prices in the Activity Schedule.