

Procurement Contract No. 14/54/2017
*Building Expert Services for the Assessment of the Project Applications Submitted for
Cross-Border Cooperation programmes*

Riga

26. July 2017

The Ministry of Environmental Protection and Regional Development (hereinafter – the Commissioning Party), represented by Deputy State Secretary Sandis Cakuls acting based on internal rules No 1-4/14 (14.07.2017) “Procedure how ministry organises public procurement” and order No 1-2/7 (12.01.2017.) “On responsible for basic budget programmes, subprograms and measures in 2017” from one side,

And **association of persons consisting of - Linas Bernotas**, personal code 35707270380, **Justinas Adomaitis**, personal code 34512030192, **Evaldas Žurkus**, personal code 37507110189 and **Dovydas Mickevičius**, personal code 38403040106 (hereinafter – Contractor), represented by a principal partner Linas Bernotas, personal code 35707270380, who acts based on Partnership Agreement, which is concluded among members of association (29.06.2017.), from the other side, (hereinafter jointly – Parties),

according to results of Part 2 in procurement, organised according to article 9 of Procurement law of Latvia “Building Expert Services for the Assessment of the Project Applications Submitted for Cross-Border Cooperation programmes”, (VARAM 2017/19) (Procurement Commission decision No 4 of July 20, 2017), financed from State budget subprogramme 69.08.00 “Cross border cooperation programme implementation, projects and measures (2014-2020) Latvia – Lithuania cross border cooperation programme (MEPRD share – foreign assistance), conclude the following procurement contract (hereinafter – Contract):

1. Subject of Contract

Commissioning Party orders and Contractor undertakes to ensure **Building Expert Services for the Assessment of the Project Applications Submitted for Cross-Border Cooperation programmes** (for providing opinions for project partner’s planned works) in accordance with the Technical Specification (Annex 1 to the Contract), Estimate of Expenditure (Annex 2 to the Contract) and other terms of this Contract (hereinafter – Service).

2. Validity of Contract

- 2.1. Contract comes into force on the day of its mutual conclusion and remains in force until the complete fulfilment of obligations of the Parties:
- 2.2. Deadline of the provision of service is set in point 3.3. of the technical specification.
- 2.3. Commissioning Party has rights during the entire duration of the Contract upon necessity to request the Contractor without additional payment to provide opinions referred to in points 3.2.5. and 3.2.6. of the technical specification.
- 2.4. Commissioning Party has the unilateral right to suspend the fulfilment of Contract with written notice, if one of the following conditions occur:

- 2.4.1. Cabinet of Ministers has initiated reassessment of foreign financial instrument planning period priorities and activities and in this regard financing intended by the Commissioning Party for payment of Contract may be reduced or withdrawn;
 - 2.4.2. according to a decision of Cabinet of Ministers or authority involved in the management of foreign financial instrument;
- 2.5. In case any of the conditions stated in Point 2.4.1. come into effect and Commissioning Party has informed Contractor with written notice, Contractor shall immediately stop the fulfilment of Contract and Parties shall agree in written form on further fulfilment of Contract obligations. Commissioning Party has no obligation to pay for any actual work done after Contractor has received written notice from Commissioning Party about the conditions referred to in Point 2.4. In cases stated in points 2.4.1. and 2.4.2. fulfilment of Contract is ceased until relevant inspection referred to in point 2.4.1. of Contract has finished or decision referred to in point 2.4.2. has come into force.
- 2.6. Commissioning Party has the unilateral right to terminate Contract, by making a written notice to Contractor 10 (ten) working days in advance and without compensating losses born by the Contractor, if:
 - 2.6.1. Fulfilment of Contract does not meet the terms of Contract or the Estimate of Expenditure and these inadequacies cannot be corrected within a reasonable time period;
 - 2.6.2. Contractor has provided false or incomplete information or statements regarding itself of provision of the Service at the moment of conclusion or during fulfilment of Contract;
 - 2.6.3. Contractor during fulfilment of Contract has committed unlawful action with regards to concluding the Contract or its execution.
 - 2.6.4. Contractors insolvency proceedings have been proclaimed or other circumstances occur that prevent or may prevent to continue fulfilment of Contract according to terms of the Contract or negatively influence rights of Commissioning Party deriving from Contract;
 - 2.6.5. Contractor repeatedly breaches or does not fulfil terms of Contract;
 - 2.6.6. Authority involved in the management of foreign financial instrument regarding Contractor action or failure to act has imposed a foreign financial instrument project expenditure correction of more than 25 % from the Contract price;
 - 2.6.7. Contractor has arbitrarily ceased fulfilment of Contract, including if Contractor is not reachable in its legal address.
 - 2.6.8. Contractor caused damage to Commissioning Party;
 - 2.6.9. Contractor has for more than 10 (ten) working days missed at least one of the deadlines of provision of the Service.
- 2.7. Contract shall be immediately terminated in case at least one of the following conditions occur:
 - 2.7.1. in case one of the Parties receives a written notice from the other Party about Force Majeure circumstances (Point 7.2.) that further fulfilment of Contract is challenging or impossible;
 - 2.7.2. Cabinet of Ministers has made a decision on reassessment of respective foreign financial instrument planning period priorities and in this regard financing intended by the Commissioning Party for payment of the Contract is essentially reduced or withdrawn.

- 2.8. Unilateral termination of Contract according to Points 2.6.1.-2.6.9. does not stop the Commissioning Party to pursue retribution for the losses it has encountered according to terms of Contract.

3. Contract price and terms of payment

- 3.1. Commissioning Party undertakes to pay for the actual amount of Service provided by Contractor (number of provided opinions) based on price set in Estimate of Expenditure (Annex 2 to the Contract) for one opinion.
- 3.2. The Commissioning Party shall pay for the performed actual work (actually given opinions) within 15 (fifteen) days after proper completion of the foreseen works according to the mutually signed Handover – Acceptance Act of the work and reception of the respective invoice from the Contractor.
- 3.3. The agreed Contract price for provision of the Service includes all expenses Contractor will encounter while fulfilling Contract as well as all payments that the Contractor has to make or subtract from the payments of Commissioning Party.
- 3.4. All payments which are made based on the Contract shall be made only via bank transfer to the corresponding accounts of the Parties as stated in requisites of this Contract.
- 3.5. The contract price is **19 000,00 EUR** (nineteen thousands *euro*, 00 cents) without VAT.
- 3.6. The Commissioning Party during the execution of the Contract has rights to increase the maximum price of the Contract indicated in the point 3.5. of the Contract in case, for the Commissioning Party the funding stated in the point 3.5. of the Contract has ended but opinions for all project partner's planned works are not provided.
- 3.7. If case mentioned in the point 3.6. of the Contract occurs, the price of the Contract can be increased taking into account actually necessary additional amount of Service (taking into account the number of project partners) but not exceeding 38 000 (thirty eight thousand *euro*) without VAT.

4. Procedure for execution of Service and acceptance of work

- 4.1. Contractor provides Service according to stipulations in Technical Specification (Annex 1 to the Contract), in cooperation with Commissioning Party.
- 4.2. Parties undertake to immediately inform each other for all complications that occur during fulfilment of Contract and may endanger fulfilment of Contract including, but not limited to, possible or foreseeable delays, circumstances, events or problems, that can affect the precise and full fulfilment of Contract or its fulfilment by set deadline.
- 4.3. Commissioning Party provides Contractor with information at its disposal, needed for fulfilment of Contract within 2 (two) working days after the Contract is concluded.
- 4.4. Commissioning Party has the right to give instructions, recommendations and objections in accordance to the stipulations set in the Contract to Contractor on fulfilment of obligations under Contract.
- 4.5. Contractor fulfils work using its own workforce, resources and assets.

- 4.6. Representative of Commissioning Party within 10 (ten) working days after fulfilment of Service and the date of submission of Handover – Acceptance Act, inspects the quality of provided Service.
- 4.7. In case the inspection reveals any inadequacy of the Service to terms of Contract or Commissioning Party instructions given during fulfilment of work or in case, Commissioning Party has justified objections about the fulfilment of the work or its quality, Commissioning Party submits to Contractor a written objection stating all inadequacies. Contractor within 5 (five) working days after written objection is received has to correct all inadequacies with its own resources. Representative of Commissioning Party repeatedly inspects quality of the provided Service in accordance with point 4.6.
- 4.8. Actions stated in points 4.6. and 4.7. are carried out until all revealed inadequacies are corrected and Commissioning Party inspects that Service corresponds to the terms of the Contract, Commissioning Party's instructions given and is of a good quality.
- 4.9. Parties assign the following contact persons which ensure coordination of mutual cooperation during the execution of the Contract:
 - 4.9.1. From Commissioning Party side: Senior Expert of Latvia-Lithuania Programme Division, Development Instruments Department, Anda Apse; phone + 371 66016739; anda.apse@varam.gov.lv;
 - 4.9.2. From Contractors side: Linas Bernotas, phone +370 686 38779; email: Linasbernotas7@gmail.com.

5. Warranty obligations

- 5.1. The Contractor shall guarantee that the Service will be provided professionally, proficiently and in compliance with the requirements of the regulatory acts and the terms and conditions of the Contract.
- 5.2. The Contractor based on the instructions of the Commissioning Party shall immediately eliminate the irregularities so that the Service complies with the terms and conditions of the Contract.
- 5.3. In case in the deliverable (Opinion) which is created as a result of provided Service irregularities are detected within the period of one year after the acceptance of Service (provided that irregularities revealed were not possible to be detected by the Commissioning Party at the moment of accepting the Service), the Contractor has to correct them with its own resources in a period of time set by the Commissioning Party.

6. Liability of Parties

- 6.1. Parties are liable for entire fulfilment of obligations under Contract.
- 6.2. Parties are liable for any losses it has caused to other Party by its actions or failure to act.
- 6.3. For poorly, in partial amount or inadequate to terms of Contract Service provided the Commissioning Party has rights to reduce Contract price proportionally to the amount of poorly provided part of Service, by stating justified objections in the Handover – Acceptance Act or in a written application (in case Contractor refuses

to sign Handover – Acceptance Act), except where such inadequacies are corrected according to Point 4.7 of the Contract.

- 6.4. For breach of payment or payment scheme, Contractor may demand to the Commissioning Party a contractual penalty of 0.3% from respective part of the Service (number of project partner's works given for provision of opinion) Contract price for each day the deadline is not followed, but not more than 10% from the Contract price of respective part of the Service.
- 6.5. For breach of term of provision of the Service, Commissioning Party may demand to the Contractor a contractual penalty of 0.3% from respective part of the Service (number of project partner's works given for provision of opinion) Contract price for each day the deadline is not followed, but not more than 10% from the Contract price of respective part of the Service.

7. Force Majeure

- 7.1. Parties shall not be held liable for delay or undue fulfilment of the obligations under Contract, if it has been caused by circumstances beyond their control.
- 7.2. Parties are exempt from liabilities for total or partial undue fulfilment of the obligations under Contract, if it was caused by Force Majeure during fulfilment of Contract. Force Majeure circumstances are all extraordinary events which are impossible to avoid and consequences of which are impossible to overcome, which were not predictable when Contract was concluded, which were not caused by Parties or their controlled persons and which make fulfilment of obligations under Contract not only challenging but impossible.
- 7.3. In case circumstances in Point 7.1. occur, Contractor without delay in written form informs Commissioning Party on delay or undue fulfilment of the obligations under the Contract, stating the cause, impact of Force Majeure on provision of Service and the expected time period of delay or undue fulfilment.

8. Confidentiality

- 8.1. Parties have reached an agreement that all information obtained during the execution of this contract is confidential, if the existing legislation do not foresee otherwise.
- 8.2. As derogation, the following information is not confidential:
 - 8.2.1. information at Contractors disposal before Commissioning Party has provided it;
 - 8.2.2. information which Commissioning Party has provided to third parties without set limitations;
 - 8.2.3. information that is created by Contractor independently from information provided by Commissioning Party;
 - 8.2.4. information that is accessible in public domain, without breaching confidentiality terms in Contract;
 - 8.2.5. information that is legally obtainable by Contractor from any third party.
- 8.3. Parties undertake all necessary action to protect confidential information, including informing its employees and other persons involved in fulfilment of Contract about necessity to ensure protection of confidential information.

- 8.4. Parties have the obligation not to reveal confidential information to any third party without written agreement from the other Party, except when legislation in forces foresees duty to reveal confidential information to particular third parties.
- 8.5. If any Party is required by legislation in force to give confidential information to third party, it shall without delay but not later than 2 (two) working days inform the other Party if legislation allows for other Party to be informed.

9. Copyrights

- 9.1. All copyright material created as a result of fulfilment of Contract shall be the property of Commissioning Party from the moment the Handover – Acceptance Act is signed, and only Commissioning Party has the right to use the copyright material.
- 9.2. Contractor confirms that it represents all Service providing authors, who participated in provision of Service and Contractor has the right to represent these authors for their economic and property rights, including protection of these rights, their use and transfer of them.
- 9.3. Contractor confirms that it is settled for all copyright material author's works created during the provision of the Service that the Contractor is irrevocably authorised to represent all authors for all matters related to their economic and property rights, including protection of these rights, their use and transfer of them.
- 9.4. During fulfilment of the Service and after the Handover – Acceptance Act is signed, Contractor holds liability for any possible copyright material infringement of third parties which occur in relation with development of Service, with used or created author works during the execution of the Service and commits to cover all Commissioning Party's loses which occur in case of breach of copyright material and this obligation is not limited neither in time, nor in volume.

10. Other

- 10.1. Parties have the right to make only non-essential (in the understanding of Public Procurement Law of Latvia) amendments to Contract during the execution of the Service, as well as to make amendments stipulated in the part three and part five of the Article 61 of the Public Procurement Law of Latvia, provided Parties mutually agrees on the amendments in the Contract. All amendments to the Contract shall be done in written form and shall enter into force after signature of both Parties. All amendments shall be attached to the Contract as annexes and they form an integral part of Contract.
- 10.2. Any dispute between Parties in the framework of this Contract is resolved by way of mutual negotiations. When dispute cannot be resolved by way of mutual negotiations, it shall be resolved according to the procedure stipulated in the national legislation of the Republic of Latvia in court in Latvia.
- 10.3. Contractor guarantees that employees that are involved in fulfilment of Contract (of whom it provided information to Commissioning Party and whose conformity of their qualification to requirements set was assessed by Commissioning Party), as well as the subcontractors on whose abilities Contractor relied on during the procurement procedure to certify that the

qualification thereof conforms to the requirements specified, shall be changed only with a written consent of Commissioning Party observing stipulations of the Public Procurement Law.

10.4. Contract shall be also binding to legal and liability successors of any of the Parties.

10.5. The Contract is drawn in two identical originals in English language on 16 pages, including Annex 1 on eight pages and Annex 2 on one page. One original is hold within Commissioning Party, the second – within Contractor. Both originals of Contract have the same legal power.

11. Requisites and legal addresses of the Parties

Commissioning Party:

**Ministry of Environmental Protection
and Regional Development**

Reg. No. 90000028508

Address: Peldu street 25

Riga, Latvia, LV – 1494

Payment account:

Bank: State Treasury

Account No.: LV24TREL221049647700B

Code: TRELLV22

Contractor:

Association of persons

Linus Bernotas, Personal code: 35707270380

Justinas Adomaitis, Personal code: 34512030192

Evaldas Žurkus, Personal code: 37507110189

Dovydas Mickevičius, Personal code: 38403040106

Address of Principal partner: Rasos str.9,

Ringaudai Kaunas district LT53331, Lithuania

Payment account of Principal partner:

Bank: Swedbank

Account No.: LT96 7300 0100 0599 3122

Code: 73000

On behalf of Association of persons -

Deputy State Secretary

Sandis Čakuls

26. July 2017

Principal partner

Linus Bernotas

26. July 2017

JURIDISKĀ
PAPILDPĀRBAUDE

VEIKTA
Dūnīs Špeļs

ES fondu projektu tiesiskā
nodrošinājuma nodaļas jurists

24.07.2017

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Z. Mangul
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