POST-EARTHQUAKE HOUSING REGENERATION IN KRALJEVO PROJECT

demolition of 7 damaged housing buildings and construction of a building with 86 apartments, Phase 2 in Kraljevo, Serbia

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**VOLUME 2**

**SECTION 1. CONTRACT FORMS**

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| Contract Agreement |

THIS AGREEMENT is concluded between:

**Ministry of Contruction, Transportation and Infrastructure of Serbia** 22-26, Nemanjina Street, 11000 Belgrade, Serbia, represented by Zoran Lakicevic, State Secretary,

and

**City of Kraljevo,** City administration, 1, Jovana Sarića square, 36000 Kraljevo, represented by dr Predrag Terzić, Mayor,

(hereinafter “the Employer”), of the one part, and

*name of the Contractor, address,* represented by *name of person and title*

of the other part:

 (hereinafter “the Contractor”),

WHEREAS the Employer desires that the Works known as POST-EARTHQUAKE HOUSING REGENERATION PROJECT IN KRALJEVO: demolition of 7 damaged housing buildings and construction of a building with 86 apartments in Dositejeva street - Phase 2, should be executed by the Contractor, and has accepted a tender by the Contractor for the execution and completion of these Works and the remedying of any defects therein,

The Employer and the Contractor agree as follows:

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Contract documents referred to.

2. The following documents shall be deemed to form and be read and construed as part of this Agreement, in the following order of precedence:

1. Contract Agreement
2. the Notification of Award
3. the Tenderer’s Declaration[[1]](#footnote-1)
4. the addenda Nos \_\_\_\_\_\_\_\_(if any)
5. the Particular Conditions – Part A[[2]](#footnote-2)
6. the Particular Conditions – Part B
7. the “General Conditions” which are part of the publication entitled “Conditions of Contract for Construction for Building and Engineering Works Designed by the Employer”, International Federation of Consulting Engineers, First edition: FIDIC 1999, published by Fédération Internationale des Ingénieurs-Conseils (FIDIC)
8. the complete Design for Execution, Design for Demolition, containing drawings, specifications, bill of quantities, general and particular conditions of execution of works
9. the tender with Appendices
10. any other documents forming part of the contract

3. In consideration of the payments to be made by the Employer to the Contractor as specified in this Agreement, the Contractor hereby covenants with the Employer to execute the Works and to remedy defects therein in conformity in all respects with the provisions of the Contract.

4. The Employer hereby covenants to pay the Contractor in consideration of the execution and completion of the Works and the remedying of defects therein, the Contract Price 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 .

5. This Contract Agreement is prepared in 12 (twelve) identical copies, 6 (six) in the English language and 6 (six) in the Serbian language. In case of discrepancy the version in the English language shall prevail.

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| **EMPLOYER:**  | **CONTRACTOR:** |
| Signed and sealed by.......................................................................Zoran Lakicevic, State SecretaryDate:.....................................................................................................................................dr Predrag Terzić, MayorDate:.............................................................. | Signed and sealed by.......................................................................Name of the signatory (by capital letters) .......................................................................In the capacity of .......................................................................Being fully authorised by and acting on behalf of to sign this contractDate:.............................................................. |

**VOLUME 2**

**SECTION 1. CONTRACT FORMS**

404-02-45/2/2019-02

26 August 2019

Notification of Award

To: *[name and address of the Contractor]*

This is to notify you that your Tender dated *[date]* for execution of the “Works related to the POST-EARTHQUAKE HOUSING REGENERATION PROJECT IN KRALJEVO: demolition of 7 damaged housing buildings and construction of a building with 86 apartments in Dositejeva street - Phase 2” 404-02-45/2/2019-02 for the Accepted Contract Amount *[amount in numbers and words]* EUR, as corrected and modified in accordance with the Instructions to Tenderers, is hereby accepted by the Ministry of Construction, Transportation and Infrastructure and City of Kraljevo.

You are requested to furnish the Performance Security within 28 days in accordance with the Conditions of Contract, using for that purpose one of the Performance Security Forms included in Section 4, Security Forms, of the Tender.

**Employer**

Authorized Signature:

Name and Title of Signatory: Zoran Lakicevic, State Secretary

Ministry of Construction, Transportation and Infrastructure, Republic of Serbia

Authorized Signature:

Name and Title of Signatory: dr Predrag Terzić, Mayor

City of Kraljevo

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**SECTION 2.**

GENERAL CONDITIONS OF CONTRACT

The Conditions of Contract contain “General Conditions” which are part of the publication entitled “Conditions of Contract for Construction for Building and Engineering Works Designed by the Employer”, International Federation of Consulting Engineers, First edition: FIDIC 1999, ISBN 2-88432-022-9, published by Fédération Internationale des Ingénieurs-Conseils (FIDIC).

The afore-mentioned General Conditions are not a constituent part of this document, but they may be obtained from:

FIDIC Secretariat

Box 311

CH-1215 Geneva 15

Switzerland

Tel: +41 22 799 49 00

Fax: +41 22 799 49 01

The above mentioned General Conditions, both in English and translated in Serbian language are available at the Association of Consulting Engineers of Serbia (ACES), Zahumska 26, 11000 Beograd.

**Note: The Tenderer, together with his Tender, shall submit a copy of this page as well as complete Particular Conditions of Contract (Volume 2, Section 3) duly initialled by the person authorised to sign on behalf of the Bidder according to the form 4.3. (Volume 1, Section 4).**

It shall be deemed that the Tenderer is fully acquainted with these FIDIC conditions of contract and has them in his possession.

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**SECTION 3.**

PARTICULAR CONDITIONS OF CONTRACT

**Part B[[3]](#footnote-3)**

These Conditions expand and amend, if necessary, the General Conditions governing the Contract.

Unless the Particular Conditions provide otherwise, those General Conditions shall remain fully applicable. The numbering of the provisions of the Particular Conditions is not consecutive, but rather follows the numbering of the provisions of the General Conditions.

| **Sub-clause** |  |
| --- | --- |
| **1** | **GENERAL PROVISIONS** |
| **1.1.1.5.** | **Specifications**At the end of the Sub-clause the following shall be added:“Specifications means general and particular description of works being part of the Bill of Quantities, which define particular work items”  |
| **1.1.2.4.** | **Engineer**At the end of the Sub-clause 1.1.2.4. the following shall be added: “In the context of this Contract, Project Management Unit, established by the City of Kraljevo, should act as the Engineer.” |
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| **1.1.2.2.** | **Employer** |
|  | At the end of the Sub-clause 1.1.2.2. the following shall be added: “In the context of this Contract, Ministry of Construction, Transport and Infrastructure is Employer (Financier) while the City of Kraljevo is Inestor, according to Planning and Construction Law.” |
| **1.1.2.5** | **Contractor's representative**At the end of the Sub-clause 1.1.2.5 the following shall be added:‘’In the context of this Contract the term *Contractor’s Representative* shall have the same meaning as the Responsible Contractor (*Odgovorni izvođač radova)* аccording to the Planning and Construction Law.’’  |
|  |  |
| **1.1.3.4.** | **Inspection upon Completion**At the end of the Sub-clause the following shall be added:„This activity means also the Technical inspection, (*tehnički pregled),* accordinag to the Planning and Construction Law.” |
| **1.1.4.1.** | **Acepted Contract Amount**In this Sub-clause the wording “Letter of Acceptance” and replaced by the wording “Notification of Award”. |
|  |  |
| **1.2.** | **Interpretation** |
|  | In this Sub-clause shall be added the point e) as following:“e) the word “tender” is synonymous with “bid”, and “tenderer” with “bidder”, and “tender documents” with “bidding documents”. |
| **1.4** | **Law and language** At the end of Sub-clause 1.4 the following shall be added:“All applicable laws and regulations of the Republic of Serbia shall be implemented except for the Law on Public Procurements.  Serbian language shall be the prevailing language regarding communication. For General and Particular Conditions of Contract the prevailing language is English.Documents of the Employer and of the Contractor required in relation to construction documentation, licenses and permits according to Serbian regulations shall be drafted in Serbian language, whereby the Contractor shall ensure translations into English, for the needs of Contract, when so requested by the Engineer.Everyday communication on the construction site may be carried out either in Serbian or English, whereas any written communication, minutes of meetings, notifications and any other contractual communication shall be in Serbian language except when the Engineer requires it to be in English language, in which case the Contractor shall be responsible for translation. The Contractor shall have at their disposal a sufficient number of competent translators.” |
| **1.5**  | **Priority of Documents**The documentation listed from (a) to (h) shall be erased and replaced by the following: 1. Contract Agreement
2. The Notification of Award
3. The Letter of Tender
4. Appendix to Tender ( Particular Conditions – Part A)
5. The Particular Conditions – Part B
6. The General Conditions;
7. The complete Design for Execution, Design for Demolition, containing drawings, specifications, bill of quantities, general and particular conditions of execution of works
8. The tender with Appendixes
9. Any other documents forming part of the Contract.
 |
| **1.6** | **Contract Agreement**In the first sentence of this Sub-clause the wording “Letter of Aceptance” shall be replaced with wording “Notification of Award”.In the first paragraph the wording “28 days” shall be replaced with “12 months”.In the second sentence of this Sub-clause the wording “submitted attached to the Particular Conditions” shall be erased and “included in the Tender documents” shall be added instead. |
| **1.8**  | **Care and Supply of Documents**In the Sub-Clause 1.8, add the following paragraphs:In case deviation is established from approved contract drawings the Contractor shall prepare and submit for verification by the Engineer “As built drawings”. If no “As built drawings” were issued by the Contractor the original contract drawings will be signed and stamped by the Engineer as “As built drawings”. Upon final completion and prior to the submission of the final payment certificate original “As built drawings” signed by the Engineer shall be handed over to the Employer. Final measurement of quantities and payment shall be derived from dimensions and numbers of items indicated on “As built drawings”. |
| **1.11** | **Contractor’s Use of Employer’s Documents** Text in the Clause 1.11 shall be deleted and replaced by the following:"As between the Parties, the Employer shall retain the copyright and other intellectual property rights in the design documentation and other documents made by (or on behalf of) the Employer. The Contractor may, at his cost copy, use and ensure submission of these documents for the purposes of the Contract. They shall not, without the Employer’s consent, be copied, used or communicated to a third party by the Contractor. If there is a need to publish or disclose any part of the Contract or other documents made by (or on behalf of) the Employer, the Contractor will refer to the Employer whose decision shall be final.”  |
|  |  |
| **2** | **THE EMPLOYER** |
| **2.6**  | New Sub-Clause 2.6 shall be added:**Utilities**"The Employer is obliged to ensure connecting of the Site with the permanent utility infrastructure (power supply, telephone, water and sewage), placed and dimensioned according to the average expected consumption, according to the Site organization and as foreseen by the Plan of Preventive Measures.The Contractor or the Nominated Subcontractor, shall execute the utilities network within the Site and obtain certificates on functionality from responsible institutions, which shall not be subject to additional payment (i.e. it is included in the Contract Price). The Contractor shall bear all costs of utilities during the execution of the Works and remedying the defects." |
| **3** | **THE ENGINEER**  |
| **3.1** | **Engineer’s Duties and Authorities** After the paragraph 1 the following shall be added:"The Project Management Unit, established by the City of Kraljevo will form the core team of the Engineer."The Paragraph 6 shall be added:“The Engineer shall obtain a particular approval from the Employer prior to undertaking any activity under the following Sub-clauses of these Conditions:(A) Sub-clause 3.2: delegation of authority;(B) Sub-clause 3.5: agreeing on or determining any issue which will increase the Contract Price;(C) Sub-clause 4.4: granting approval to the Sub-contractor for works that should have been performed by another Sub-contractor specified in the Contract;(D) Sub-clause 4.12: agreeing or determining an extension of time and/or additional cost(E) Sub-clause 8.4: agreeing on or determining an extension of the deadline for completion of works;(F) Sub-clause 10.1: issuing any kind of Taking over Certificate;(G) Sub-clause 11.9: issuing the Performance Certificate(H) Clause 13: instructing any modification of works expected to increase the Contract Price or to alter in any manner whatsoever the type, character of quality of works;(I) Sub-clause 14.13: issuing the Final Statement.Notwithstanding the obligation to obtain the afore-specified approval, if the Engineer believes that an emergency has occurred affecting safety of lives or works or the adjacent property, the Engineer may, without releasing the Contractor from any of his duties or liabilities under the Contract, instruct the Contractor to execute any such works or carry out such activities that may, in the Engineer’s belief, be necessary in order to either remove or mitigate the risk. Despite an absence of approval from the Employer, the Contractor shall immediately act in compliance with any such instruction from the Engineer. The Engineer shall determine an increase in the Contract Price in respect of any such instruction in conformity with Clause 13.3 *[Variation Procedure]* and shall inform the Contractor in an appropriate manner while also submitting a copy thereof to the Employer.”  |
| **3.5** | **Determinations**Paragraph 2 shall become paragraph 3. New paragraph 2 shall be added as follows:“When carrying out a preparation to set additional works, the Engineer shall submit their proposal to the Employer together with substantiating documents, drafted in compliance with Sub-clause 12.3. In the event the Contractor has proposed an additional works, the submission of the Engineer shall be accompanied by an assessment of the Contractor’s proposal, including any remark or modification by the Engineer. In paragraph 3, the first sentence shall be erased and replaced by the following: “The Engineer shall inform the Contractor on any additional works set by the Employer.”  |
| New Sub-clauses 3.6 and 3.7 shall be added as follows: |
| **3.6** | **Management meetings** “The Engineer or Contractor’s Representative may request from the other party to attend a board meeting for the purpose of re-consideration of the Contractor’s plan of organization and planning of Works. The Engineer and Contractor’s Representative may invite other persons to attend the meeting. The Engineer shall keep minutes at board meetings. The Engineer and Contractor’s Representative shall sign such minutes as authentic records. The Engineer shall provide copies of the minutes to persons attending the meeting and to the Employer. In the minutes, liability for any actions to be undertaken shall be in compliance with the Contract. These records shall not be interpreted as any agreement, approval, control, consent, decision, setting, examining, instruction, information, proposal or request by the Engineer.”  |
| **3.7** | **Office Space for the Engineer**“The Contractor shall provide a field office equipped with furniture for 3 working posts and one meeting room on the construction site for the Engineer's personnel.” |
| **4** | **THE CONTRACTOR** |
| **4.1**  | After the paragraph 5, the following should be added:"The Contractor is obliged to prepare design documentation - as built drawings and specifications. The Contractor hands over this documentation to the Employer in printed and electronic form, before the Technical Acceptance of works." |
| **4.2** | **Performance Security**Paragraph 1. shall be changed as follows:"Contractor gathers, at his own expense, the Instruments of security, i.e. bank Performance Guarantee, according to model given in Volume 2. Section 4. of tender documentation. Performance Guarantee is to be submitted in the total amount of 10% of the contract price. The Performance Guarantee must remain valid for 45 (fortyfive) days longer than the defects notification period. The performance security shall be submitted within 28 (twentyeight) days after receipt of signed contract.”Pragraph 2 shall be changed as follows:“The Employer shall not make a claim under the Performance Security, except for amounts to which the Employer is entitled under the Contract.At the end of Sub-clause 4.2, the following shall be added:“In case of increase in the Contract Price amount to more than ten (10%) percent of the amount of the Contract Price or extension of deadline for execution of Works, the Contractor shall, at written request of the Employer, immediately increase the value of the bank guarantee by an equivalent percentage or extend the validity period of Performance Security." |
| **4.3** | **The Contractor’s Representative**At the end of Sub-clause 4.3 the following shall be added:“If the Contractor’s Representative, or these persons, is/are not fluent in the Serbian language, the Contractor shall have available on Site, during all working hours, a competent interpreter to ensure the proper transmission of instructions and information.In the event the Contractor’s Representative is not authorised to lead construction works in compliance with Serbian law, the Contractor shall appoint a person with such authority to work with the Contractor’s Representative.” |
| **4.4** | **Subcontractors**After the first sentence in Paragraph 1. the following shall be added: “Works for which the Sub-contractors are hired shall not exceed 30% of the Net Contract Price.” |
| **4.8** | **Safety procedures**At the end of Sub-clause 4.8 the following shall be added:"(f) Adhere to Serbian legislation regulating Health and Safety at Work (HS).(g) The construction site is “a site where helmets are mandatory” and they shall be worn at all times. Other protective clothes etc. will be available and worn if necessary. (h) The Contractor shall adhere to any applicable effective laws, regulations and specifications with regard to any measure, procedure and administrative steps necessary for full environment protection and preservation. In that respect, the Contractor shall appoint a specialised person, with appropritate HS certificate to take care of health and security on site.(i) In case there is more than one contractor executing works simultaneously, the Engineer will appoint a licensed Coordinator for Safety during construction, according to HS regulations. Safety issues shall be on the agenda of every meeting held on the construction site, whereas the Engineer (HS Coordinator) and the Contractor’s Representative shall jointly agree on plans to reduce to minimum the risk of unsafe events and acts in their forthcoming work. Occupational safety procedures shall be approved by the Engineer.If the Preventive Precautions Plan has to be amended or supplemented during the execution of the Works as a result of the negligence, omission or breach by the Contractor, the Contractor shall not be entitled to any extension of time for completion or any addition to the contract price, the Contractor shall indemnify and hold the Employer harmless from any losses, damages or any additional expenses that may arise for the Employer as a result of amendments to the Preventive Precautions Plan. ” |
| **4.9** | **Quality Assurance**After Paragraph 1. the following shall be added: “The Contractor shall establish the quality assurance system in a way that:(a) ensure that the origin of any material and equipment delivered on the construction site can be determined.(b) include procedures for verification of compliance and documenting certificates, and (c) include both an electronic and paper record system for keeping all certificates and delivery dates.(d) include any other technical documentation related to the materials and equipment installed on the permanent works as well as the complete collection of test (performance) certificates of the commissioning of all equipment installed. (e) ensure as-built drawings and the supporting documentation together with instructions or variation orders, related to the modificationsThe quality assurance plan shall be submitted within 15 days from the commencement date”. |
| **4.21** | **Reports on progress of works**At the end of Sub-clause 4.21 the following shall be added:“Monthly reports on progress of works shall be prepared in Serbian and translated into English at the expense of the Contractor if so requested by the Engineer. This report is to be submitted to the Engineer no later than the 5th of the month, together with monthly interim statement. The Contractor’s Representative shall keep a daily log (i.e. Construction log or "Gradjevinski dnevnik", according to regulations) in two copies. No less than the following shall be recorded in the log:* Working hours
* Type and quantity of materials/products delivered to the construction site on that day
* Certificates for materials/products delivered
* The method of execution of works
* The method of maintenance and protection of works executed
* A list of the Contractor’s key personnel to be present on the construction site including detailed specification of the periods when each expert on the construction site was hired
* The number of persons hired on the construction site, specified by profession and qualification
* The Contractor’s equipment used on the construction site
* Items of works executed during the day and quality control of works
* Incidents
* Contingencies
* Weather conditions

The original and copy of the Construction log form shall be signed by the Contractor and the Engineer on daily bases. A signed copy shall be retained by the Engineer whereas the original shall be retained by the Contractor.  The Contractor shall keep and update all official records and reports required pursuant to Serbian law.” |
| **6** | **STAFF AND LABOUR** |
| **6.7** | **Health and safety**At the beginning of Paragraph 1. of Sub-clause 6.7 the following shall be added:"Contractor is obliged to act according to the applicable laws and regulations of the Republic of Serbia.Prior to commencement of Work, the Engineer will handover the Health and Safety plan ("Plan of Preventive Measures" according to Serbian regulations) to the Contractor. The contractor will review it and amend to its site organization and technology, if needed. The Contractor will submit the amended Health and Safety plan to the Engineer for approval " |
| **6.8** | **Contractor’s Superintendence**At the end of Sub-clause 6.8 the following shall be added:  “A sufficient number of supervisory personnel with the Contractor shall also have both verbal and written functional knowledge of Serbian language, or the Contractor shall have a sufficient number of competent translators available on the construction site during working hours in order to ensure proper conveyance of instructions and information.”  |
| **6.9** | **Contractor’s personnel**At the end of Sub-clause 6.9 the following shall be added: “The Contractor is encouraged, to a feasible and reasonable extent, to employ personnel and workforce from Serbia.  |
| **6.10** | **Records of Contractor’s personnel and equipment records**At the end of Sub-clause 6.10 the following shall be added: “Contractor’s personnel and equipment on the construction site shall be recorded in the documentation on daily bases in compliance with Sub-clause 4.21.” |
| **6.11** | **Disorderly conduct**At the end of Sub-clause 6.11 the following shall be added:“With regard to the Contractor, Sub-contractors and their employees:(a) The Contractor shall not allow bringing, selling or consumption of alcohol beverages or narcotics on the construction site;(b) The Contractor shall not allow bringing, selling or illegal possession of weapons and ammunition on the construction site(c) The Contractor shall bear any additional costs and expenditures (taxes, charges, penalties, insurance, overtime work etc.) arising from any breach of this provision by the Contractor’s personnel.” |
| **7** | **PLANTS, MATERIALS AND WORKMANSHIP** |
|  |  |
| **7.1** | **Manner of Execution**The following paragraph shall be added to this Sub-clause: “The Contractor shall carry out all the demolition and construction works according to the design documents, descriptions in Bills of Quantities, installing materials and equipment which possess the technical characteristics defined by design, descriptions of activities in the Bills of Quantities and technical standards valid in Serbia and to obtain atests for all the used materials and to submit them to the Engineer, according to the Planning and Construction Law.” |
| **7.4** | **Testing** At the end of Sub-clause 7.4 the following shall be added:"The contractor is obliged to perform all tests in accordance with the legal requirements of the Republic of Serbia." |
| **8** | **COMMENCEMENT, DELAYS AND SUSPENSION OF WORK**  |
| **8.1** | **Commencement of works**The last paragraph will be substituted by the following:"The Engineer shall give the Contractor not less than 7 days’ notice of the Commencement Date. The Commencement data shall be within 90 days after all Parties sign the Contract Agreement. Furthermore, Commencement Date shall be the date at which the following precedent conditions have all been fullfiled:a) Signature of the Contract Agreement by all Partiesb) Contractor has handed over to the Employer all requested securities (Guarantees) and insurance policiesc) The Employer has handed over to the Contractor a Building Permit and design documentation, made according to the Building Permit (one signed hard copy of all the drawings, specifications and calculations of the Execution Design);d) The Employer has handed over to the Contractor the Plan of Preventive Measures."The last paragraph will be substituted by the following:"The Engineer shall give the Contractor a notice of the Commencement Date without delay."At the end of Sub-clause 8.1 the following shall be added:"The Contractor shall commence the execution of the Works within 7 days from the notice of the Commencement Date and shall then proceed with the Works with due expedition and without delay." |
| **8.4** | **Extension of time for Completion** At the end of Sub-clause 8.4 the following shall be added: “The Contractor shall not have a right to cumulative extension of the completion deadline for each of several causes of delay effective at the same time, but only for the actual period of delay determined by the Engineer regardless of causes that contribute to occurrence of such a delay. In the event one of several causes of delay with simultaneous effect occurs by fault of the Contractor and if the Contractor, regardless of the simultaneous causes, alone would cause a delay of completion of works or part thereof, no extension of the completion deadline shall be granted for the period of such delay.” |
| **8.10** | **Payment for Plant and Materials in Event of Suspension**In Sub-clause 8.10, sub-paragraph (b), the following shall be added after the word “the Contractor”: “has presented satisfactory evidence that the facilities and/or materials are fully owned by the Contractor and are not subject to any retained right of ownership and” |
| **9** | **TESTS ON COMPLETION**  |
| **9.1** | **Contractor’s obligation**At the end of Sub-clause 9.1 the following shall be added: “In the event that any tests are required upon completion of works, the Engineer shall instruct the Contractor in this respect, whereas the works shall be performed by an authorised independent third party from Serbia” |
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| **12** | **MEASUREMENT AND EVALUATION** |
|  |  |
| **12.1** | **Works to be Measured**Insert the following wording at the and of Paragraph 1 of this Sub-Clause:“The Contractor shall show in each application under Sub-Clause 14.3 (Application for Interim Payment Cetificate), 14.10 (Statement on Completition) and 14.1 (Application for Final Payment Certificate) the quantities and other particulars detailing the amounts which he considers to be entitled under Contract.” |
| **12.2** | **Method of Measurement**Insert the following wording at the end of Sub-Clause 12.2: “Valuation and calculation of the executed works shall be in accordance with the regulations and standards in force in the Republic of Serbia.” |
| **12.3** | **Evaluation**Sub-clause 12.3 shall be replaced by the following:“Evaluation and calculation of the executed works shall be determined on the basis of the quantities from the measurement book and the unit prices stated in the Bid.For each additional work the unit prices shall be formed in the following manner:• according to the consumption of labour, materials, equipment and machinery defined by the construction standards.• according to the average market prices of labour, materials, equipment and machineryUnit prices for additional works in the form of calculations or offers shall be verified by the Engineer and the Employer.The Contractor will commence execution of additional works only upon acceptance of the offer for this type of works by the Engineer and the Employer.In the event that in the opinion of the Engineer carrying out additional works should commence without delay, the Contractor shall do so, after which he will within a reasonable time period submit a price calculation or additional offer for additional works for the approval of the Engineer. The Engineer is entitled to evaluate the unit prices for additional works using the unit prices from the Bid for similar works.” |
| **13** | **VARIATIONS AND ADJUSTMENTS** |
| **13.3** | **Variation Procedure**At the end of Sub-clause 13.3, paragraph d) shall be added, as follows:“d) The Contractor shall at the request of the Engineer submit offers, invoices, and receipts as documentary evidence.” |
| **13.5** | Sub-clause 13.5 **Provisional Sums** shall be deleted |
|  |  |
| **14** | **CONTRACT PRICE AND PAYMENT** |
| **14.2** | **Advance payment**In the Paragraph 4, the wording “but its amount shall be progressively reduced by the amount repaid by the Contractor as indicated in the Payement Certificates” shall be deleted.At the end of Sub-clause 14.2 a new paragraph is added, as follows:"Advance payment must remain valid 28 (twenteight) days longer than contracted deadline for completion of works. Advance payment security shall be submitted within 28 (twenteight) days of receipt of signed contract.” |
| **14.3** | **Application for interim Payment Certificates**In paragraph 1. Sub-clause 14.3 in the first sentence the wording "at the end of each month" shell be replaced with the wording "no later than 5th of the month for the previous month and not more frequent than once in a month".At the end of the Sub-clause 14.3 the following paragraph is added:"The Employer is obliged to ensure a certified tax confirmation before issuance of the monthly payment certificate, applying the procedure for VAT exemption, according to the Law on value added tax, ('Official Gazette of RS', Nos 84/04, 86/04 - correction, 61/05, 61/07, 93/12, 108/13, 68/14 - law, 142/14, 83/15, 108/16) and the Rulebook on ways and procedure for tax exemption of VAT with the right to exempt the previous tax (Official Gazette of RS, Nos 120/12, 40/15, 82/15, 86/15, 11/16, 21/17)"  |
| **14.4.** | Sub-clause 14.4. **Schedule of Payments** shall be deleted |
| **14.6** | In paragraph 2, the deadline in which the Engineer is due to handover the Interim Certificate, from the date of receiving from the Contractor is changed from 28 to 35 days. |
| **14.7** | **Payment**The paragraph 1 in Sub-clause 14.7 shall be replaced with following text: “The Employer shall pay to the Contractor:1. The advance payment shall be made within 28 (twentyeight) days from the date of submission of the Advance Payment Guarantee.
2. The amount certified in each Interim Payment Certificate within 63 (sixtythree) days after the Engineer receives the Statement and supporting documents, and
 |
|  | 1. The amount certified in the Final Payment Certificate within 63 (sixtythree) days after the Employer receives this Payment Certificate.”
 |
| **17** | **RISK AND RESPONSIBILITY** |
|  | A new Sub-clause 17.7 shall be added as follows: |
| **17.7** | **Contractor’s care for the existing facilities** “The Contractor shall assume full liability for care of parts of the existing facilities (water supply system, sewage system, drains, telecommunications, electric power etc.) within the Construction Site as of the date of commencement of works until the day of issuance of the Take-over Certificate. In the event of loss or damage on any of the parts of the existing facilities whilst the Contractor is responsible for care thereof for any reason other than those specified in Sub-clause 17.3 *[Employer’s risks]* or those the Employer is held responsible according to the Contract, the Contractor shall undertake to correct such loss or damage at their own risk and at their own expense”. |
| **18** | **INSURANCE** |
| **18.2** | **Insurance for Works and Contractor’s Equipment** At the end of Sub-clause 18.2 the following shall be added: “The Contractor shall undertake to inform the insurance company on any changes as to the type, scope or schedule of execution of Works and ensure appropriate insurance coverage for the entire duration of the Contract. The Contractor shall submit proof of such informing to the Employer.” |
| **20** | **CLAIM, DISPUTES AND ARBITRATION** |
| **20.6** | **Arbitration**Text in the item (b) is changed as follows: “If the Contract is with the domestic contractors arbitration with proceedings conducted in accordance with the laws of the Employer’s country as stipulated in the Arbitration Rules of the Permanent Court of Arbitration at the Serbian Chamber of Commerce”. |
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 **VOLUME 2**

**SECTION 4. SECURITY FORMS**

Performance Guarantee

*[bank letterhead]*

Date: *[insert date (day, month and year) of Bid submission]*

Invitation for Bids No 404-02-45/2/2019-02 of 26.08.2019

**Guarantor:** *[Bank name, address of branch office or office issuing the guarantee]*

**Beneficiary:** Ministry for construction, transportation and infrastructure, Nemanjina street 22-26, Belgrade, TIN 108510088, RN 17855212

**PERFORMANCE GUARANTEE No.:** XX

We, *[legal name and address of the bank]* have been informed that *[full name of the contractor]* (hereinafter called „Contractor“) has entered into Contract No. *[reference number of the contract]* dated *[day, month,year]* with the Beneficiary for the execution of Works related to the Post-earthquake Housing Regeneration Project in Kraljevo: Construction of Apartment Building in Dositejeva street - Phase II ( hereinafter called „Contract“).

Furthermore, we understand that, according to the conditions of the Contract, a Performance Guarantee is required.

At the request of the Contractor, we as Guarantor, hereby irrevocably and unconditionally undertake to pay the Beneficiary any sum or sums not exceeding in total an amount of *[ amount in numbers and letters in EUR][[4]](#footnote-4)* on the first call upon receipt by us of the Beneficiary’s written demand, stating that the Contractor is in breach of its obligation(s) under the Contract, without objection or explanation and without the Beneficiary needing to prove or to show grounds for his demand or the sum specified therein.

This guarantee shall expire, no later than the *[day, month,year ][[5]](#footnote-5)* and any demand for payment under it must be received by us at this office indicated above on or before that date.

This guarantee is subject to the Uniform Rules for Demand Guarantees, International Chamber of Commerce, Uniform Rules for Demand Guarantees (URDG 758)

 *[signatures of the authorised bank representative and stamp]*

**VOLUME 2**

**SECTION 4. SECURITY FORMS**

Advance Payment Guarantee

*[bank letterhead]*

Date: *[insert date (day, month and year) of Bid submission]*

Invitation for Bids No 404-02-45/2/2019-02 of 26.08.2019

**Guarantor:** *[Bank name, address of branch office or office issuing the guarantee]*

**Beneficiary:** Ministry for construction, transportation and infrastructure, Nemanjina street 22-26, Belgrade, TIN 108510088, RN 17855212

**ADVANCE PAYMENT GUARANTEE No.:** XX

We, *[legal name and address of the bank],* have been informed that *[full name of the contractor]* (hereinafter called „Contractor“) has entered into Contract No. *[reference number of the contract]* dated *[day, month,year]* with the Beneficiary for the execution of Works related to the Post-earthquake Housing Regeneration Project in Kraljevo: Construction of Apartment Building in Dositejeva street - Phase II ( hereinafter called „Contract“).

Furthermore, we understand that, according to the conditions of the Contract, an Advance Payment Guarantee is required.

At the request of the Contractor, we as Guarantor, hereby irrevocably and unconditionally undertake to pay the Beneficiary any sum or sums not exceeding in total an amount of *[ amount in numbers and letters in EUR[[6]](#footnote-6)* on the first call upon receipt by us of the Beneficiary’s written demand, stating that the Contractor is in breach of its obligation(s) under the Contract, by using the advance in another purpose except in the purpose of execution of the mentioned works.

The condition for executing any demand or payment according to this guarantee is that the Contractor has received to its account *[number and address of the account]* the above mentioned advance*.*

This guarantee remains valid and with full effect from the date when the contractor receives the advance payment according to the contract until *[day, month,year] [[7]](#footnote-7).*

This guarantee is subject to the Uniform Rules for Demand Guarantees, International Chamber of Commerce, Uniform Rules for Demand Guarantees (URDG 758)

*[signatures of the authorised bank representative and stamp]*

**VOLUME 2**

**SECTION 4. SECURITY FORMS**

Retention Money Guarantee

*[bank letterhead]*

Date: *[insert date (day, month and year) of Bid submission]*

Invitation for Bids No 404-02-45/2/2019-02 of 26.08.2019

**Guarantor:** *[Bank name, address of branch office or office issuing the guarantee]*

**Beneficiary:** Ministry for construction, transportation and infrastructure, Nemanjina street 22-26, Belgrade, TIN 108510088, RN 17855212

**RETENTION MONEY GUARANTEE No.:** XX

We, *[legal name and address of the bank],* have been informed that *[full name of the contractor]* (hereinafter called „Contractor“) has entered into Contract No. *[reference number of the contract]* dated *[day, month,year]* with the Beneficiary for the execution of Works related to the Post-earthquake Housing Regeneration Project in Kraljevo: Construction of Apartment Building in Dositejeva street - Phase II ( hereinafter called „Contract“).

Furthermore, we understand that, according to the conditions of the Contract, the Beneficiary retains moneys up to the limit set forth in the Contract (“the Retention Money”), and that when the Taking-Over Certificate has been issued under the Contract and the first half of the Retention Money has been certified for payment, payment of the second half of the Retention Money is to be made against a Retention Money guarantee.

At the request of the Contractor, we as Guarantor, hereby irrevocably and unconditionally undertake to pay the Beneficiary any sum or sums not exceeding in total an amount of *[ amount in numbers and letters in EUR[[8]](#footnote-8)* on the first call upon receipt by us of the Beneficiary’s written demand supported by the Beneficiary’s statement, whether in the demand itself or in a separate signed document accompanying or identifying the demand, stating that the Contractor is in breach of its obligation(s) under the Contract, without your needing to prove or show grounds for your demand or the sum specified therein.

A demand under this guarantee may be presented as from the presentation to the Guarantor of a certificate from the Beneficiary’s bank stating that the second half of the Retention Money as referred to above has been credited to the Contractor on its account *[number and address of the account]*.

This guarantee shall expire no later than the *[day, month,year]* [[9]](#footnote-9)2, and any demand for payment under it must be received by us at the office indicated above on or before that date.

This guarantee is subject to the Uniform Rules for Demand Guarantees, International Chamber of Commerce, Uniform Rules for Demand Guarantees (URDG 758)

*[signatures of the authorised bank representative and stamp]*

1. Part of the Volume 3 Section 1. [↑](#footnote-ref-1)
2. Part A is the Appendix to Tender and it placed in the Tender Form, Volume 1 Instructions to Tenderers, Section 2 [↑](#footnote-ref-2)
3. Part A is the Appendix to Tender and it is a part of the Tender Form, Volume 1 Instructions to Tenderers, Section 2 [↑](#footnote-ref-3)
4. The amount according to the Instructions to Tenderers, clause 28.3 [↑](#footnote-ref-4)
5. The date as defined in the Clause 28.3 of the Instructions to Tenderers [↑](#footnote-ref-5)
6. The amount according to the Instructions to Tenderers, clause 28.4 [↑](#footnote-ref-6)
7. Dates established in accordance with the clause 28.4 Instructions to Bidders [↑](#footnote-ref-7)
8. The Amount according to the Contract Conditions – FIDIC MDB Harmonized version of 2010, Clause 14.9 Payment of Retention Money [↑](#footnote-ref-8)
9. *2* Insert the same expiry date as set forth in the Performance Guarantee. [↑](#footnote-ref-9)