

## 17. Draft Contract on State Procurement

Tbilisi

\_\_\_\_\_ 2018

“Sakaeronavigatsia” Ltd. (hereinafter referred to as the “Buyer”), represented by its Director General GochaMezvrishvili, on one side, and \_\_\_\_\_ (hereinafter referred to as the “Supplier”), represented by its \_\_\_\_\_, on the other side, after conducting of the Electronic Tender, do hereby enter into this contract on State Procurement as follows:

### Article 1. Subject of the Contract

1.1. Subject of the contract: procurement of VHF “Air-Ground” Civil Aviation RADIOCOMMUNICATION SYSTEM WITH SUPPLEMENTARY SERVICES (SYSTEM’S INSTALLATION, TRAINING, FAT, and SAT) (hereinafter referred to as the “goods”) in accordance with Buyer’s tender documentation (Annexes 1 and 2), submitted Bid of the Supplier and conditions stipulated by present Contract.

1.2. Technical documentation of the Buyer and submitted Bid of the Supplier are integral parts of the present Contract.

1.3. Classification code of the procurement subject: 32230000.

1.4. Resource request application No .

### Article 2. Warranty Conditions

2.1. The warranty period shall be minimum 2 years. Within the period of two years Supplier shall provide warranty services on its own charges. The transportation charges for damaged System’s item or equipment to the Supplier’s address shall be borne by the Buyer. Supplier shall repair a damaged System’s item/equipment or replace it with a new one within 1 month from the date of receiving the damaged System’s item/equipment. The transportation charges for repaired System’s item or equipment to the Buyer’s place shall be borne by the Supplier.

The Bidder shall confirm the compliance of its bid proposal with the warranty conditions state above.

### Article 3. Total Price of the Contract

3.1. The total price of the contract is .....

3.2. The price of the contract includes all expenses of the Supplier related to the complete fulfillment of obligations defined in the contract in terms of following delivery term

INCOTERMS 2010: a) DAP Tbilisi International Airport, restricted area, Office of LTD “Sakaeronavigatsia”; b) DAP Gardabani region, Mountain Kvishiana, point 1100, c) DAP Senaki, object of LTD Sakaeronavigatsia, d) DAP Kutaisi International Airport. The price shall also include charges for Training and FAT, Installation and SAT, except of custom related charges on the territory of Georgia. The state procurement contract may be in foreign currency (Euro or USD), in accordance with official exchange rate against GEL fixed by the National Bank of Georgia on the date of electronic trade.

3.3. All the taxes and fees shall be covered by the parties on their respective territories.

3.4. Supplier shall provide insurance for the goods for 100% before delivery to the place of destination.

3.5. Customs fees will be paid by the Buyer on the territory of Georgia.

#### Article 4. Time-Schedule for Fulfillment of Obligations by the Supplier

4.1. The supplier should ensure fulfillment of all obligations within 6 months from the date indicated on the top of the contract in terms of time-schedule. Within one month from signing the contract, Supplier shall provide time-schedule defining the precise terms for performance of liabilities of the Supplier.

4.2. Control over fulfillment of the terms and conditions of the contract on behalf of the Buyer would be carried out by authorized persons: (will be defined in the final contract).

4.3. The parties’ obligations will be deemed fulfilled after signing the Taking-Over Certificate by the authorized persons from both sides.

4.4. The following documentation should be provided with the delivered system: commercial invoice, transportation documentation, packing documentation (with indication of exact net and gross weights), Certificate of Origin, Certificate of Quality and Declaration of Conformity.

#### Article 5. Packing

5.1. The packing used for shipping the system should be compliant with the established International standards for ensuring safe transportation of the system till place of destination.

5.2. The Supplier shall be responsible for any damage caused in a result of inappropriate packing of the system.

## Article 6. Rights and Obligations of the Parties

### 6.1 The Supplier is obliged:

6.1.1. To fulfill the obligations under present Contract in accordance with the terms and conditions stipulated in present Contract/it's Annexes.

6.1.2. To supply defect free goods.

### 6.2. The Supplier is authorized:

6.2.1. To demand payment for the supplied goods and rendered services according to the terms and conditions stipulated hereof.

### 6.3. The Buyer is obliged:

6.3.1. To conduct payment according to the terms and conditions stipulated hereof.

### 6.4. The Buyer is authorized:

6.4.1. To carry out control and supervision over fulfillment of the terms and conditions of the contract.

6.4.2. To attend FAT and SAT.

6.4.3. To demand reimbursement of the damage imposed by improper fulfillment and/or failure of fulfillment of the terms and conditions of the contract.

## Article 7. Terms and Conditions of Payment

7.1. Advance payment is applicable in amount no more than 50% of the total contract price within 10 banking days from submitted original Bank Guarantee for the pre-payable amount and the original invoice. Advance payment Bank Guarantee must be in force within 6 months from issuing of the bank guarantee.

7.2. Second payment of 50% of the contract price shall be paid within 10 banking days from signing taking-over certificate (taking-over certificate will be signed after SAT) on completion of contractual obligations by the bidder and submitting to the Buyer of original invoice for payable amount.

## Article 8. Default

8.1. In case of delay of the time-schedule stipulated in this contract, the penalty in the amount of 0.1% of the total contract price for each overdue day shall be imposed on the Supplier, but no more than 10% of the total contract sum.

8.2. In case of delay of the terms of payment stipulated in the contract, the penalty in the amount of 0.1% of the total contract price for each overdue day shall be imposed on the Buyer, but no more than 10% of the total contract sum.

8.3. The parties always have right to demand reimbursement of the damage imposed by improper fulfillment and/or failure of fulfillment of the terms and conditions of the contract in accordance with Georgian Legislation.

## Article 9. Force-Majeure

9.1. For the objectives of the contract, “force-majeure” means: any future action and/or inaction and/or circumstance which are impossible to be considered and is out of control of both parties or each of the parties, which prevents a party to duly fulfill (completely or partially) its obligations within the scope of the contract. In case of “force-majeure” circumstance and/or circumstances, the party affected by the mentioned circumstance, is bound to inform another party about it with registered letter or telefax within 7 (seven) working days, after the existence of this “force-majeure” circumstance became obvious for the party. The above-mentioned “force-majeure” situation shall extend the term of obligations of the parties in accordance with the duration of the “force-majeure” situation.

## Article 10. Settlement of Disputes

10.1. Any dispute which may arise from the present contract shall be settled through a friendly consultation between both Parties.

10.2. If no settlement can be reached, the dispute shall be considered by the Georgian court in accordance with the Georgian legislation.

## Article 11. Contract Fulfillment Guarantee

11.1. The contract fulfillment bank guarantee provided by the Supplier in the amount of 5 % of the total contract price, should be 1 (one) month longer than the fulfillment period of contractual obligations. The bank guarantee shall be in force within 7 months from the date

of issuance. The guarantee will be returned upon Supplier's request after full compliance with contractual obligations followed by signing of the Taking-Over certificate.

11.2. The guarantee provided by the Supplier for the purpose of contract fulfillment security shall be used for reimbursement of any loss of the Buyer due to improper fulfillment and/or failure of fulfillment of the terms and conditions of the contract by the Supplier.

#### Article 12. Other Conditions

12.1. The obligation to pay penalty does not relieve the Supplier from fulfillment of its obligations or from eradication of violations.

12.2. This contract shall become effective from the date indicated on the top of the contract and shall be valid -----.

12.3. Any changes to the contract are valid only when being made in written form and signed by the parties. The documents can be signed and transmitted by fax or e-mail (scanned version) and in that case, they have the validity of the originals, original documents will be transmitted afterwards.

12.4. The contract is signed in Georgian and English languages having equal legal force. In case of discrepancy between English and Georgian texts, the English text shall prevail.

#### Article 13. Requisites of the Parties and Signatures, bank properties

For the Buyer      For the Supplier

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