

## Draft Contract on State Procurement

Tbilisi

\_\_\_\_\_2019

“Sakaeronavigatsia” Ltd. (hereinafter referred to as the “Buyer”), represented by its Director General Gocha Mezvrishvili, 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 2 units Instrument Landing Systems (ILS) with subsequent services** (Site survey, Project, Training, FAT, Installation, SAT and Flight Inspection attendance) (hereinafter referred to as the “goods”) in accordance with Buyer’s tender documentation (Annex 1), submitted Bid of the Supplier (Annex 2), 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: **34963000**.

1.4. Resource request application No. . . . .

### Article 2. Warranty

2.1. The warranty period shall be minimum 1 year from signing each phase taking-over certificate on delivery the system. Within this period Supplier shall provide warranty services on its own charges. The transportation charges for damaged system (item) to the Supplier’s address shall be borne by the Buyer. Supplier shall repair damaged system (item) or replace it with a new one within 1 month from the date of receiving the damaged system (item). The transportation charges for repaired system (item) to the Buyer’s place shall be borne by the Supplier. Warranty conditions shall be applicable to the system as well as software within the period of minimum one year. Provisions about warranty conditions will be set out in the state procurement contract. Warranty also applies to the foundations, which shall not be less than systems lifetime period.

2.2. At the time of delivery, the Supplier shall submit Certificate of Origin, Certificate of Quality and Declaration of Conformity.

2.3. Supplier shall provide opportunity to supply to the Buyer Instrument Landing System (ILS) spare parts upon request from signing the acceptance certificate within minimum 15 years. Manufacturer’s official letter shall be submitted. A new contract shall be awarded about supply the spare parts.

### **Article 3. Total Price of the Contract**

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

3.2. The price shall include all the expenses of the Supplier related to complete fulfillment of the obligations, except of custom related charges on the territory of Georgia, following the delivery term DAP Tbilisi International Airport, Georgia (INCOTERMS 2010).

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.

### **Article 4. Delivery Terms**

4.1. Supplier shall fulfill contractual obligations in the following phases:

1. First phase, delivery of ILS-13R with subsequent services shall be completed until 1st October, 2019;

2. Second phase, delivery of ILS-31L with subsequent services shall be completed until 1st June, 2020. Supplier shall provide to the Buyer time-schedule on supply of ILS and provision of subsequent services within 15 calendar days from signing the state procurement contract.

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. Each phase shall be deemed completed upon signature of taking-Over Certificates by the authorized persons from both sides.

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

### **Article 5. Packing**

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

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

## **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.

6.1.3. To install System 1. At First phase - in Tbilisi International Airport, for approach 13R;  
2. At second phase - in Tbilisi International Airport, for approach 31L.

6.1.4. To carry out site survey for the purpose of Instrument Landing System (ILS) position selection and prepare Project (SDD).

6.1.5. To provide FAT before delivery of goods. Training shall be provided before FAT.

6.1.6. To shall submit Certificate of Origin, Certificate of Quality and Declaration of Conformity at the time of delivery Bidder.

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 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**

1. Advance payment is applicable in amount no more than 40% of the total contract price. In case of advance payment, Bidder shall provide bank guarantee for pre-payable amount. Advance payment shall be made within 10 working days from submitted original Bank Guarantee for the pre-payable amount and the original invoice. Advance payment Bank Guarantee must be in force until 30 June, 2020. Advance payment guarantee must be returned to the Supplier after delivery of both Instrument Landing System (ILS).
2. Payment rest of the Total Contract Price shall be made by phases. Payment shall be made upon completion of each phase, within 10 working days, on the basis and after submission of following documents to the Buyer: phase completion acceptance certificate signed from authorized persons of both sides and original invoice for payable amount. Deducting of advance paid amount(s) shall be made by each phase, proportionally.

## **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 price.
- 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 price.
- 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 2 % of the total contract price. The bank guarantee shall be 1 month longer of Contractual obligations. The guarantee will be returned after full compliance with contractual obligations, upon Supplier’s request.

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. information about sub-contractors (shall be clarified at Contract signature)**

**Article 14. Requisites of the Parties and Signatures, bank properties**

For the Buyer

For the Supplier

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