

N _____ Contract on State Procurement

Rustavi city

“ ____ “ _____ ” 2018

1. Contract Parties

The LEPL Service Agency of the Ministry of Internal Affairs of Georgia (address: 21-th km, Tbilisi-Red Bridge Highway, city of Rustavi; bank requisites: state treasury, code: TRESGE22, identification code – 205190513), hereinafter referred to as the “Buyer”, represented by **Ms. Mariana Morgoshia, the Director of the Agency**, on the one hand

And

Supplier: _____, **Identification code:** _____ ;

Address, telephone: _____

Director/General Manager: _____

Bank requisites: _____

Acting in compliance with the legislation of Georgia, agree on the conditions of the state procurement contract and the execution thereof.

2. Subject of Procurement, Procurement Mean, Contract Price and Term of Validity of Contract

2.1. Subject of the contract (procurement) shall be: procurement of aluminum plates (along with the thermal transfer tape). Information about the name of goods, technical characteristics, quantity and unit price is given in the price list submitted by the supplier, which is attached to the contract and is an integral part thereof (see the Annex N1).

2.2. Mean of procurement: Electronic Tender Without Auction NAT -----.

2.3. The total cost of the contract is _____ GEL or currency requested by the Buyer.

2.4. Classifier Code - **CPV-34900000**.

2.5. The contract shall be valid through December 31, 2020 from the day of its execution.

3. Conditions, Time and Place of delivery of the Subject of Procurement

3.1. Delivery period of the subject of procurement shall be defined in accordance with the Annex #1.

3.2. Place of delivery of the subject of procurement for non-resident supplier and resident supplier in charge of the import of the goods: Rustavi, Tbilisi-Red Bridge Highway 21 km, CIP-Rustavi under the conditions of the INCOTERMS-2010. For a resident

supplier manufacturing the goods onsite: Rustavi, Tbilisi-Red Bridge Highway 21 km;

3.3. The supplier shall be obliged to deliver the subject of procurement free from any material or a legal defect, in observation of all required norms, standards, rules and requirements.

3.4. The supplier shall be obliged to provide the packaging of goods that will protect it from any damage during its transportation to the destination.

4. Quality of the Subject of Procurement

4.1. The supplier assumes that the quality of the supplied subject shall meet the terms and conditions of the contract and the requirements of the procuring entity.

4.2. In the event of any shortcoming and / or defect revealed at any stage of the contract period and after its completion, the supplier shall be obliged to eliminate such defect without any additional costs from the buyer.

4.3. If the supplier fails to fulfill the obligation under this article, the procuring entities shall be entitled to request the supplier to pay the appropriate costs.

4.4. The bidder shall - during the term of delivery of the first lot of goods envisaged by the Annex #1 to the tender documentation - submit the results of tests relevant to the conditions envisaged by the table contained in the clause 2.3.2 (characteristics of number plate alloy and mechanical features) for the goods envisaged by the clauses 2.3.1.1 and 2.3.1.2 and also the testing results (along with the tested samples) on compliance with the ISO 7591 requirements regarding photometric and photometric characteristics of the light reflecting tape envisaged by the clause 2.3.3 of the annex to the tender documentation, which shall be conducted by the laboratory with European accreditation after the announcement of the tender date (the bidder shall present the documents asserting the accreditation of the laboratory).

4.5 Supplier is obliged to provide the buyer the valid certificates required under the clause 2.7.1 of the tender documentation along with each supplied lot;

4.6. Supplier is obliged to fulfill other obligations assumed by it under this contract.

5. Control over Fulfillment of the Contract (Inspection)

5.1. Verification of compliance with the volume, quality and the delivery terms of goods to be supplied and/or supplied by a buyer as well as the control over fulfillment of the contract conditions shall be carried out from time to time, at the moment of the supply of goods, as well as for the duration of the contract, according to the buyer's requirements;

5.2. Control over compliance with the contract conditions shall be carried out by the person(s) of the relevant competence and the authority of the LEPL – Service Agency of the MIA of Georgia; these persons shall be authorized to execute the Delivery-Acceptance Act for goods. The supplier shall provide the buyer at its (supplier's) own resources with all the relevant personnel, equipment and other working conditions necessary for such control (inspection);

- 5.3. The buyer shall be authorized to conduct a quality control (and/or test the goods); in case of reveal of any defective good, the supplier shall be obliged to correct such defect within 30 (thirty) working days from a written notification, or if the defects cannot be corrected and the buyer has already paid the value of the goods – to refund the value of such good to the buyer;
- 5.4. In case if the period assigned to correction of defect provided for in the clauses 5.3 and 5.5 is beyond the term of the contract, the supplier shall have to rectify the defects or refund the costs (if the defects cannot be rectified) before expiration of the contract;
- 5.5. The buyer shall be entitled to refuse the acceptance of defective goods without the necessary documents accompanying the goods (including those envisaged by the clause 4.5 of the contract) as well as it shall be entitled to refuse the acceptance of a part or the total amount of the goods delivered with delay; also, the buyer shall be entitled to refuse the acceptance of goods in whole or in part if the supplier fails to submit the results of the tests organized by the laboratory with European accreditation in compliance with the 4.4 of this contract or if the tests results do not comply with the conditions envisaged by the table contained in the clause 2.3.2 (characteristics of number plate alloy and mechanical features) and the conditions provided for in the ISO 7591 of the photometric and ptherometric characteristics of light reflecting tape envisaged by the clause 2.3.3 of the Annex to the tender documentation and request the replace of the goods (without the obligation to refund the consumed one) along with the renewed test results within 60 (sixty) calendar days from the buyer's request;
- 5.6. Delivery of goods shall be evidenced by a Delivery-Acceptance Act. The Act shall be executed in writing, signed by the authorized representatives of the supplier and the buyer;
- 5.7. With the signature to the Delivery-Acceptance Act by the person(s) indicated in the clause 5.2 above the fact of fulfilment of the control over the contract compliance shall be also confirmed;
- 5.8. In the case if the day of execution of a Delivery-Acceptance Act falls on a non-working day, then the Act shall be executed on the next working day and it shall not be deemed a delay by the fault of the supplier.

6. Rule of Delivery-Acceptance of the Subject of Procurement

- 6.1. Delivery and acceptance of the subject of the procurement shall be managed in stages, through executing the Delivery-Acceptance Act by the authorized representative of the buyer and the supplier.
- 6.2. Persons authorized to sign the Delivery-Acceptance Act from the part of the buyer shall be the authorized person(s) with relevant competence from the Economic and Logistics Department of the LEPL Service Agency of the Ministry of Internal Affairs of Georgia. The supplier shall provide the buyer at its (supplier's) own resources with all the relevant personnel, equipment and other working conditions necessary for such control (inspection);
- 6.3. In conjunction with the signing of the Delivery-Acceptance Act, the supplier shall submit the relevant tax documentation (according to the applicable legislation) to the buyer.
- 6.4. In the case if the day of execution of a Delivery-Acceptance Act falls on a non-working day, then the Act shall be executed on the next working day and it shall not be deemed a delay by the fault of the supplier.

7. Payment and Currency of Payment

7.1. Payment shall be made in noncash settlement in GEL or in any other currency requested by the supplier (in case of execution of the contract in the currency requested by the supplier, the payment may be managed in GEL under the agreement of the parties by the moment of execution according to the exchange rate set by the National Bank of Georgia on the day of payment).

7.2. Payment shall be made in stages, according to the goods factually delivered. The buyer shall pay the value of the lot of the goods delivered within 15 (fifteen) days from the day of execution of the Delivery-Acceptance Act and/or the accompanying documentation (tax invoice, consignment note etc.) If the last day of payment term falls on a no-working day, the payment shall be made on the next working day.

7.3. Advance payment in the amount of 10% of the contract value shall be available within 10 (ten) calendar days from the day of submission of the bank security;

7.4. The advance bank security shall be submitted in the currency requested by the supplier. The bank security shall be issued by the banking institution licensed by the National Bank of Georgia and/or the insurance company licensed by the LEPL Insurance State Supervision Service of Georgia. The payment of the remaining amount shall be carried out after the deduction of the amount received as an advance;

7.5. The effectiveness period of the advance bank security shall be 30 (thirty) calendar days more than the contract period envisaged by the clause 2.5 above;

7.6. The security shall be unconditional, i.e the amounts provided for in the security shall be accepted by the buyer without any additional explanation and the evidence, immediately upon the first request.

8. Default (penalty sanctions, form, amount and payment terms)

8.1. Except for the force majeure circumstances, penalty sanctions shall be applied in case of non-fulfillment and/or delayed fulfillment of the contract terms by the contracting parties.

8.2. In case of non-performance or improper fulfillment of the obligations under the contract (except for the violation of the term of execution), the supplier shall pay a penalty in the amount of 0,10% of the contract value for each case of violation.

8.3. In case of delay of the term set forth for the fulfillment of the obligations, including the term designated for elimination of a defect and/or certification of a shortcoming the supplier shall pay a penalty in the amount of 0,02% of the non-fulfilled liabilities per each day of delay. In addition, in order to exclude any doubt and ambiguity, the parties agree that the value of the non-fulfilled liabilities shall be calculated according to the following formula: the total contractual value minus the value of the liabilities fulfilled by the supplier (as of the day of calculation of the penalty);

8.4. In case of delay in the payment term due to the buyer's fault, the buyer shall be imposed to pay a penalty in the amount of 0.02% of the payable amount per each day of delay.

8.5. The penalty imposed on the parties shall be paid no later than 1 (one) month after reception by the party the decision (letter

on imposing a penalty) thereof.

8.6. Payment of penalty sanctions does not relieve contractual parties from performing their main obligations.

9. Guarantee for Fulfillment of Contract

9.1 For the purpose of securing the fulfillment of the contract, a 2% bank guarantee submitted by the supplier shall be applied to compensate any loss which will be incurred to the buyer due to non-fulfillment or incomplete fulfillment of the contract terms by the supplier.

9.2 The unconditional and irrevocable guarantee for fulfillment of the contract shall be presented in the currency requested by the supplier. The guarantee shall be issued by the banking institution licensed by the National Bank of Georgia and/or the insurance company licensed by the LEPL Insurance State Supervision Service of Georgia.

9.3 The term of validity of the bank guarantee for fulfillment of the contract shall exceed the validity of the contract specified in paragraph 2.5 above by 30 (thirty) calendar days.

9.4 In the event that the supplier provides complete fulfillment of the obligations undertaken by the contract or if the contract is terminated for the reasons independent of the supplier, the procuring entity shall be obliged to return the bank guarantee and/or its documentation within 14 days from the date of request.

9.5 The guarantee must be unconditional, i.e the buyer shall receive the entire amounts provided by the guarantee without any additional explanation and proof, at the first request.

9.6 In case if the final price fixed in the system by e-tender winner bidder is less than the estimated value of the procurement subject by 20% or more, the supplier shall submit the contract securing bank guarantee in the amount of 5% of the contract total price before the execution of the contract. In case if a supplier registered in a white list the amount of this bank guarantee shall be a half.

10. Contract Termination

10.1. The party shall be entitled to terminate the contract unilaterally at any time in case of non-fulfillment or improper fulfillment of the contract conditions by the other party.

10.2. The party, deciding to terminate the contract shall notify the other party about its decision, the ground and the date of the effectiveness thereof;

13.2. In case of termination of the contract the party shall be entitled to demand the compensation for the damage it has been incurred to it due to the other party's default.

10.4. Termination of certain specific conditions of the contract shall not relieve the parties from fulfillment of the remaining obligation under the contract.

10.5. The buyer shall be entitled to make decision on unilateral termination of the contract, including in the following cases: a)

delay in the delivery of the subject of procurement by more than 15 calendar days by the supplier; b) if it becomes known to the buyer, that due to the reasons independent from the latter it (buyer) shall not ensure the implementation of the obligations under the contract; c) in the other events envisaged by the legislation of Georgia, including in the event of breach of the obligation by the supplier, which makes it impossible to proceed with the contractual relationship or causes the loss of the buyer's interest in proceeding with the contractual relationship.

10.6. In cases provided for in the clauses first and 5 of this contract the buyer shall compensate the supplier for the value of factually delivered goods.

11. Force Majeure

11.1. Force majeure – disaster, strikes, sabotage or any industrial disturbance, civil turmoil, war, blockade, revolt, earthquake, flooding, epidemic, and other similar events that are not subject to the control of the parties and which cannot be avoided. Deterioration of the financial condition of the supplier shall not be considered as force-majeure unless it is related to the events listed.

11.2 The suspension of the terms or conditions of the contract due to force-majeure circumstances may not be considered as failure to fulfill the terms and conditions of the contract and will not result in penalty sanctions and non-refund of the contract fulfillment guarantee to the supplier.

11.3 In case of force majeure circumstances, the contracting party for which it is impossible to fulfill its obligations shall immediately send to the other party a written notice on such circumstances and the reasons thereof, which shall be accompanied by the relevant evidencing documents, including the report on the force majeure circumstance issued by the Georgian Chamber of Commerce and Industrial. If the sender does not receive a written response from the other party, it shall continue to fulfill its obligations under the terms and conditions of the contract at its own discretion and seek to find alternative ways for the fulfillment of the obligations which are independent of the influence of force majeure.

11.4 In the event of change of any of the conditions of the contract due to the occurrence of force majeure, such change shall be signed as a written agreement by the parties.

12. Amendments to the Contract

12.1. In case of the necessity to change the terms of the contract due to any unforeseen reasons, the initiator of the amendment shall be obliged to notify the other party the relevant information. At the same time the buyer shall not be obliged to submit to the supplier any evidences concerning the circumstances stipulating the the necessity of changing the terms of the contract.

12.2 Any amendment to the terms of the contract (including the termination upon the agreement of the parties) shall be concluded in writing as an agreement of the parties and annexed to the contract. The written agreement of the parties on the amendment shall be deemed to be an integral part of the contract.

12.3 The final value of the contract shall be determined in accordance with the value of the subject of the procurement factually delivered, which does not require any additional agreement.

13. Transfer of rights

13.1. The whole or partial transfer of the rights and obligations defined in the contract shall be executed by the written agreement of the parties (the buyer - the supplier - the third person).

13.2 It is not permissible to replace the supplier in the contract except for the cases envisaged by the legislation of Georgia (merging, dividing etc.)

14. Value

14.1 Under the agreement of parties it is admitted the change of the total value of the contract.

14.2 The terms of the contract concluded with the supplier shall not be changed if such change may increase the value of the contract or deteriorate the terms of the contract to the buyer, except for the cases provided for in the article 398 of the Civil Code of Georgia.

14.3 In case of occurrence of the conditions envisaged by the article 398 of the Civil Code of Georgia, it is inadmissible to increase the amount of the contract value by more than 10%.

14.4 Changing the value of the contract shall be executed in the form of as a written agreement of the parties.

15. Communication between the Contracting Parties

15.1. Any official relationship between the contracting parties shall be in writing. A written notice to the other party in accordance with the contract shall be sent as a mail. For the purpose of establishment of the operational communications, it is permitted to communicate to the other party through telephone, email or fax, provided that the original copy of the notice shall be submitted to the other party either directly or through its mailing to the address indicated in the contract.

15.2. For communication through telephone, e-mail and / or fax the following shall be used: a) following requisites of the supplier: contact person Mr. -----, mobile phone number: -----; E-mail: ----- b) following requisites of the buyer: following requisites of the

15.3. Both contracting parties shall be obliged to notify the other party about any change to the contact persons or the information during the contract period.

15.4. The notification shall enter into force on the date of receipt by the recipient.

16. Disputes Settlement

16.1. The contract parties agree that any and all dispute arisen from or connected to the contract and the related issues shall be

settled through the agreement of the parties, otherwise the dispute shall be settled by a court of Georgia in compliance with the applicable legislation;

16.2. The issues of compensation for damage shall subject to the relevant articles of the Civil Code of Georgia.

16.3. The buyer shall be entitled to request the compensation for damage which is incurred due to non-fulfillment of violation of the obligations (including sub-quality fulfillment) by the other party;

16.4. The contract is executed in compliance with the legislation of Georgia and shall be interpreted according to the Georgian legislation.

17. Miscellaneous

17.1. Conditions not envisaged by this contract shall be regulated by the legislation of Georgia.

17.2. The contract is done in Georgian language in three equal copies and shall be kept with signatory parties (one with the supplier and two with the buyer). Any correspondence related to the contract shall be fulfilled in Georgian language.

17.3. Any amendment or addendum to this contract shall be valid only if it is in writing and signed by the parties.

17.4. Article (s), clause (s) of the contract are numbered and titled for the convenience only and does not influence the interpretation of this contract. In the case of any error/difference in the article (s), clause (s) and / or sub clause (s) the article (s), clause (s) and / or sub clause (s) with the relevant content shall be applied.

17.5. In case of any mechanical and/or technical errors and/or defects made in the text of the contract by the parties, such error and/or defect shall be interpreted and explained in accordance with the relevant sentence (s) and / or the contents of the contract. If the error or / and defect is not in accordance with the relevant sentence or the content of the contract, it (the error / defect) will not have any meaning regarding the interpretation of the contract content.

18. Legal Requisites of the Parties

„Buyer“

„Supplier“

Annex N1

| # | Name of subject of procurement | Technical and quality data of the good (with indication of a manufacturer and the country of origin) | Quantity (item) | Unit price | Total price | Guarantee period | Term of delivery | Place of delivery |
|------------|--------------------------------|---|--------------------|---|-------------|------------------|------------------|-------------------|
| 1 | | | | | | | | |
| Sum total: | | | | (GEL or a currency requested by a supplier) | | | | |

LEPL – Service Agency of the MIA

Address: 21th km, Tbilisi-Red Bridge Highway,
Rustavi

Bank requisites: State Treasury,
Code - TRESGE22, Ident. Code - 205190513

Director of the Agency
Mariana Morgoshia

Ltd/JSC/IE/PP „XXXXXX“,
Address: City XXXX, XXXX Str. #XX
Tel.: XXX XX XX;,
Bank requisites:
Account# XXX XXX XXX XXX
JSC „XXXX Bank“
Bank code XXXXXX,
Ident. Code: XXXXXXXXXX