

Service Contract N° <insert number>

Project financed by: EUROPEAN UNION AND CO-FINANCED BY THE GOVERNMENT OF MONTENEGRO AND THE MUNICIPALITIES OF BAR, ULCINJ, BUDVA, KOTOR, TIVAT AND OLD ROYAL CAPITAL CETINJE, IN ACCORDANCE WITH THE RULES OF IPA

The Municipality of Bar

Bulevar Revolucije 1,

85000, Bar

Montenegro

("The Contracting Authority"),

of the one part

and

<Full official Name of Contractor>

[Legal status/title]¹

[Official registration number]²

[Full official address]

[VAT number]³;

("the Contractor") of the other part.

Art. 1 Meaning of the terms

In this contract words and expressions shall have the meanings assigned to them in the contractual conditions set out below.

Art. 2 Order of precedence

The following documents shall be deemed to form and be read and construed as part of the contract documentation, in the following order of precedence:

- (a) the contract,
- (b) the clarifications and corrigenda published before deadline
- (c) the terms of reference
- (d) the financial proposal
- (e) the technical proposal elaborated by the successful tenderer,
- (f) the clarifications agreed during the evaluation phase.

Addenda shall have the order of precedence of the document they are modifying.

Art. 3 Subject of the contract

¹ Where the contracting party is an individual.

² Where applicable.

³ Except where the contracting party is not VAT registered.

The subject of this contract is the provision of services by the Contractor in accordance with the Terms of Reference.

Art. 4 Duration and period of execution

This contract shall run for a period of 8 months starting from the signature of the contract by the latter of the two parties.

In any case the above mentioned period is only provided as an indication and can be modified by the Contracting Authority. The Contractor shall be bound to provide all the services included in the Terms of Reference.

Art. 5 Contract value without VAT

The Contractor shall receive the amount of <insert value as per financial proposal> Euros as a remuneration for his/her work. This contract is a global price contract. The Contracting Authority will pay this amount to the Contractor's bank account in accordance with the payment terms specified under Art.7.

Art. 6 VAT Exemption

It is the responsibility of the Contracting Authority to request VAT exemption from the competent authority. VAT will be paid according to the rules agreed between the Government Montenegro and the European Union.

Art. 7 Payment terms

The Contractor shall invoice the Contracting Authority according to the following schedule:

- Submitting of Deliverable 1: 30%
- Submitting of Deliverable 2: 20%
- Submitting of Deliverable 3: 30%
- Submitting of Deliverable 4: 10%
- Submitting of Deliverable 5: 10%

All invoices will be accompanied by the relevant supporting documents indicated above.

Fees shall be paid only for the specific services included in the approved budget.

Invoices will be paid within 30 days by the Contracting Authority after approval of the received deliverables.

Payments will be done on the bank account of the Contractor indicated in the financial identification form under Annex 2.

Art. 8 Performance guarantee

The performance guarantee is equal to 10% of the value of the contract.

The performance guarantee shall be held against payment to the Contracting Authority for any loss resulting from the Contractor's failure to fully and properly perform his obligations under the contract.

The performance guarantee shall be prepared according to the template included in Annex 1 to this contract.

Art. 9 Replacement of experts

The proposed experts can only be replaced in case of force majeure (death or serious illnesses) or on the request from the Contracting Authority.

Change of experts must be approved by the Project Manager of the Contracting Authority.

Art. 10 Correspondence

The Contractor shall submit written requests for solution of any problem encountered in the implementation of the Contract. The Contracting Authority will do its best to address the received questions.

Art. 11 Liability

1. The Contracting Authority cannot under any circumstances or for any reason whatsoever be held liable for damage or injury sustained by the staff or property of the Contractor while the Project is being carried out or as a consequence of the Project. The Contracting Authority cannot, therefore, accept any claim for compensation or increases in payment in connection with such damage or injury.

2. The Contractor shall assume sole liability towards third parties, including liability for damage or injury of any kind sustained by them while the Project is being carried out or as a consequence of the Project. The Contractor shall discharge the Contracting Authority of all liability arising from any claim or action brought as a result of an infringement of rules or regulations by the Contractor or the Contractor's employees or individuals for whom those employees are responsible, or as a result of violation of a third party's rights.

Art. 12 Conflict of interests

1. The Contractor shall take all necessary measures to prevent or end any situation that could compromise the impartial and objective performance of this Contract. Such conflict of interests may arise in particular as a result of economic interest, political or national affinity, family or emotional ties, or any other relevant connection or shared interest.

2. Any conflict of interests which may arise during performance of this Contract must be notified in writing to the Contracting Authority without delay. In the event of such conflict, the Contractor shall immediately take all necessary steps to resolve it.

3. The Contracting Authority reserves the right to verify that the measures taken are appropriate and may require additional measures to be taken if necessary.

4. The Contractor shall ensure that its staff, including its management, is not placed in a situation which could give rise to conflict of interests. Without prejudice to its obligation under this Contract, the Contractor shall replace, immediately and without compensation from the Contracting Authority, any member of its staff in such a situation.

Art. 13 Confidentiality

1. Subject to Article 18, the Contracting Authority and the Contractor undertake to preserve the confidentiality of any information, notwithstanding its form, disclosed in writing or orally in relation to the implementation of this Contract and identified in writing as confidential until at least 5 years after the payment of the balance.

2. The Contractor shall not use confidential information for any aim other than fulfilling their obligations under this Contract unless otherwise agreed with the Contracting Authority.
3. The European Commission shall have access to all documents communicated to the Contracting Authority and shall maintain the same level of confidentiality.

Art. 14 Visibility

1. Unless the European Commission agrees or requests otherwise, the Contractor shall take all necessary steps to publicise the fact that the European Union has financed or co-financed the Project. Such measures shall comply with the Communication and Visibility Manual for Union External Projects laid down and published by the European Commission, that can be found at: http://ec.europa.eu/europeaid/work/visibility/documents/communication_and_visibility_manual_en.pdf.
2. The Contractor shall mention the Project and the European Union's financial contribution in information given to the final recipients of the Project, in its internal and annual reports, and in any dealings with the media. It shall display the European Union logo wherever appropriate.
3. Any notice or publication by the Contractor concerning the Project, including those given at conferences or seminars, shall specify that the Project has received European Union funding. Any publication by the Contractor, in whatever form and by whatever medium, including the internet, shall include the following statement: 'This document has been produced with the financial assistance of the European Union. The contents of this document are the sole responsibility of < Contractor's name > and can under no circumstances be regarded as reflecting the position of the European Union.'
4. The Contractor authorises the Contracting Authority and the European Commission to publish its name and address, nationality, the purpose of the project, duration and location as well as the total cost and the rate of funding of the Project's costs, as laid down in Article 3 of the Special Conditions of the grant contract. Derogation from publication of this information may be granted if it could endanger the Contractor or harm their interests.

Art. 15 Ownership/use of results and assets

1. Ownership of, and title and intellectual and industrial property rights to, the Project's results, reports and other documents relating to it will be vested in the Contracting Authority.
2. Without prejudice to Article 1, the Contractor grants the Contracting Authority (and the European Commission) the right to use freely and as it sees fit, and in particular, to store, modify, translate, display, reproduce by any technical procedure, publish or communicate by any medium all documents deriving from the Project whatever their form, provided it does not thereby breach existing industrial and intellectual property rights.
3. The Contractor shall ensure that it has all rights to use any pre-existing intellectual property rights necessary to implement this Contract.
4. In case natural, recognizable persons are depicted in a photograph or film, the Contractor shall submit a statement of these persons giving their permissions for the described use of their images. The above does not refer to photographs taken or films shot in public places where random members of the public are identifiable only hypothetically and to public persons acting in their public activities.

Art. 16 Evaluation/monitoring of the project

1. If the European Commission carries out an interim or ex post evaluation or a monitoring mission, the Contractor shall undertake to provide it and/or the persons authorised by it with any document or information which will assist with the evaluation or monitoring mission, and grant them the access rights described in Article 18.

Art. 17 Accounts and technical and financial checks

Accounts

1. The Contractor shall keep accurate and regular accounts of the implementation of the Project using an appropriate accounting and double-entry book-keeping system.

The accounts:

- a) may be an integrated part of or an adjunct to the Contractor's regular system;
- b) shall comply with the accounting and bookkeeping policies and rules that apply in the country concerned;
- c) shall enable income and expenditure relating to the Project to be easily traced, identified and verified.

2. The contractor shall ensure that any financial report can be properly and easily reconciled to the accounting and bookkeeping system and to the underlying accounting and other relevant records. For this purpose the Contractor shall prepare and keep appropriate reconciliations, supporting schedules, analyses and breakdowns for inspection and verification.

Right of access

3. The Contractor shall allow verifications to be carried out by the European Commission, the European Anti-Fraud Office, the European Court of Auditors and any external auditor authorised by the Contracting Authority awarding the grant to the beneficiary. The Contractor have to take all steps to facilitate their work.

4. The Contractor shall allow the above entities to:

- a) access the sites and locations at which the Project is implemented;
- b) examine its accounting and information systems, documents and databases concerning the technical and financial management of the Project;
- c) take copies of documents;
- d) carry out on-the-spot-checks;
- e) conduct a full audit on the basis of all accounting documents and any other document relevant to the financing of the Project;

5. Additionally the European Anti-Fraud Office shall be allowed to carry out on-the-spot checks and inspections in accordance with the procedures laid down by the European Union legislation for the protection of the financial interests of the European Union against fraud and other irregularities. Where appropriate, the findings may lead to recovery by the Commission.

6. Access given to agents of the European Commission, European Anti-Fraud Office and the European Court of Auditors and to any external auditor authorised by the Contracting Authority awarding the grant to the beneficiary carrying out verifications as provided for by this Article shall be on the basis of confidentiality with respect to third parties, without prejudice to the obligations of public law to which they are subject.

Record keeping

7. The Contractor shall keep all records, accounting and supporting documents related to this Contract for five years following the payment of the balance, and in any case until any on-going

audit, verification, appeal, litigation or pursuit of claim has been disposed of. They shall be easily accessible and filed so as to facilitate their examination and the Contractor shall inform the Contracting Authority of their precise location.

8. All the supporting documents shall be available in the original form, including in electronic form.

9. The documents referred to in this Article include:

- a) Accounting records (computerised or manual) from the Contractor's accounting system such as general ledger, sub-ledgers and payroll accounts, fixed assets registers and other relevant accounting information;
- b) Proof of procurement procedures such as tendering documents, bids from tenderers and evaluation reports (if any);
- c) Proof of commitments such as contracts and order forms;
- d) Proof of delivery of services (if paid by the Contracting Authority) such as approved reports, time sheets, transport tickets, proof of attending seminars, conferences and training courses (including relevant documentation and material obtained, certificates) etc;
- e) Proof of receipt of goods such as delivery slips from suppliers (if paid by the Contracting Authority);
- f) Proof of completion of works (if any), such as acceptance certificates;
- g) Proof of purchase such as invoices and receipts (if paid by the Contracting Authority);
- h) Proof of payment such as bank statements, debit notices, proof of settlement by the contractor (if related to the implemented contract financed by the Contracting Authority);
- i) Proof of the regularity of the VAT and TAX management;
- j) For fuel and oil expenses (if paid by the Contracting Authority), a summary list of the distance covered, the average consumption of the vehicles used, fuel costs and maintenance costs;
- k) Staff and payroll records such as contracts, salary statements and time sheets (if paid by the Contracting Authority). For local staff recruited on fixed-term contracts (if paid by the Contracting Authority), details of remuneration paid, duly substantiated by the person in charge locally, broken down into gross salary, social security charges, insurance and net salary. For expatriate and/or European based staff (if paid by the Contracting Authority) analyses and breakdowns of expenditure per month of actual work, assessed on the basis of unit prices per verifiable block of time worked and broken down into gross salary, social security charges, insurance and net salary.

Art. 18 Jurisdiction & dispute settlement

This contract shall be governed by the European Union law for the management of the external aid programmes and supplemented by the law of Montenegro. Any legal dispute arising out of or in connection with this contract shall be finally settled by the competent courts of Bar.

Done in Bar in two originals, one original being for the Contracting Authority and one original being for the Contractor.

For the Contractor

Name:

Function:

Signature:

Date:

For the Contracting Authority

Name:

Function:

Signature:

Date:

SPECIMEN PERFORMANCE GUARANTEE

(To be completed on paper bearing the letterhead of the financial institution)

For the attention of
Municipality of Bar, Bulevar Revolucije 1, 85000 Bar
referred to below as the "Contracting Authority"

Subject: Guarantee No...

Performance Guarantee for the full and proper execution of contract: (contract number and title)
(please quote number and title in all correspondence)

We, the undersigned, [name, and address of financial institution], hereby irrevocably declare that we guarantee, as primary obligor, and not merely as a surety on behalf of [Contractor's name and address], hereinafter referred to as "the Contractor", payment to the Contracting Authority of [amount of the performance guarantee], representing the performance guarantee mentioned in Article 8 of the contract (contract number and title) concluded between the Contractor and the Contracting Authority, hereinafter referred to as "the Contract".

Payment shall be made without objection or legal proceedings of any kind, upon receipt of your first written claim (sent by registered letter with confirmation of receipt) stating that the Contractor has failed to perform its contractual obligations fully and properly or that the Contract has been terminated. We shall not delay the payment, nor shall we oppose it for any reason whatsoever. We shall inform you in writing as soon as payment has been made.

We accept notably that no amendment to the terms of the Contract can release us from our obligation under this guarantee. We waive the right to be informed of any change, addition or amendment to the Contract.

We note that the guarantee will be released at the latest <insert a number of days equal to the duration of the project plus 180 days> after signature of the Contract by the contractor.

The law applicable to this guarantee shall be that of <enter name of the Country where the project is carried out / country in which the financial institution issuing the guarantee is established>. Any dispute arising out of or in connection with this guarantee shall be referred to the courts of Montenegro.

The guarantee shall enter into force and take effect upon its signature. Done at/./..

Name and first name: On behalf of:

Signature:

[stamp of the body providing the guarantee]

FINANCIAL IDENTIFICATION

PRIVACY STATEMENT

http://ec.europa.eu/budget/library/contracts_grants/info_contracts/privacy_statement_en.pdf

<u>ACCOUNT NAME</u>	
ACCOUNT NAME ①	<input style="width: 95%;" type="text"/> <input style="width: 95%;" type="text"/>
ADDRESS	<input style="width: 95%;" type="text"/> <input style="width: 95%;" type="text"/>
TOWN/CITY	<input style="width: 45%;" type="text"/>
COUNTRY	<input style="width: 95%;" type="text"/>

① *The name or title under which the account has been opened and not the name of the account holder*

CONTACT	<input style="width: 95%;" type="text"/>
TELEPHONE	<input style="width: 45%;" type="text"/>
E-MAIL	<input style="width: 95%;" type="text"/>

<u>BANK</u>	
BANK NAME	<input style="width: 95%;" type="text"/> <input style="width: 95%;" type="text"/>
BRANCH ADDRESS	<input style="width: 95%;" type="text"/> <input style="width: 95%;" type="text"/>
TOWN/CITY	<input style="width: 45%;" type="text"/>
COUNTRY	<input style="width: 95%;" type="text"/>
ACCOUNT NUMBER	<input style="width: 95%;" type="text"/>
IBAN ②	<input style="width: 95%;" type="text"/>

② *If the IBAN Code (International Bank Account Number) is applied in the country where your bank is situated*

REMARKS:	
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BANK STAMP + SIGNATURE OF BANK REPRESENTATIVE (Both obligatory) ③	DATE + SIGNATURE OF ACCOUNT HOLDER (Obligatory)
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③ *It is preferable to attach a copy of recent bank statement. Please note that the bank statement has to provide all the information listed above under 'ACCOUNT NAME' and 'BANK'. In this case, the stamp of the bank and the signature of the bank's representative are not required. The signature of the account-holder is obligatory in all cases.*