

THE REGIONAL ENVIRONMENTAL CENTRE FOR THE CAUCASUS

SUPPLY PROCUREMENT NOTICE

Supply of Fencing Materials and Installation of Fence in Gurjaani, Dmanisi and Kazbegi Municipalities of Georgia within the framework of GEF/FAO supported Project “Achieving Land Degradation Neutrality Targets of Georgia through Restoration and Sustainable Management of Degraded Pasturelands”

1. Publication reference

027RECC/G/FAO-[BL-5650-03]-No.01-2022

2. Procedure

Open Local

3. Programming Direction

GEF-7 [LD-1-1 Maintain or improve flow of agro-ecosystem services to sustain food production and livelihoods through Sustainable Land Management (SLM)) and LD-2-5 Create enabling environments to support scaling up and mainstreaming of SLM and LDN]

4. Financing

Operational Partners Agreement (OPA) signed in May, 2020 between the Regional Environmental Centre of for the Caucasus and the United Nations Food and Agriculture Organization (FAO) for implementation of the Grant Project (**the Project**) “Achieving Land Degradation Neutrality Targets of Georgia through Restoration and Sustainable Management of Degraded Pasturelands”

5. Contracting Organization

The Regional Environmental Centre for the Caucasus (REC Caucasus)

027RECC/G/FAO

CONTRACT SPECIFICATIONS

6. Description of the contract

The subject of the contract is the supply and installation and warranty period of:

Supply and Installation of Fencing Materials

and divided into 2 (Two) Lots as per Article 7 of this Procurement Notice.

7.1 Number and Title for Lot 1:

Lot 1: Supply of Fencing Materials

to be delivered to Selected 3 Pilot Pasture Sites in Gurjaani, Dmanisi and Kazbegi Municipalities

and addressed to REC Caucasus.

Detailed Technical Data and Specification for the Supply and Quantities to be delivered see in Extra Excel Sheet - Annex II (*Technical Specification*) and Annex IV (*Budget Breakdown*) – both attached to the Tender Dossier.

[Part “B” of the Tender Dossier (*Draft Contract and Special Conditions, including Annexes*)]

NOTE : Location of the 3 Pilot Pasture Sites in Gurjaani, Dmanisi and Kazbegi Municipalities is shown below:

For Pilot Pasture Site N1 – “GANAKHLEBA” in Dmanisi Municipality (Georgia):



Figure 1. Location of Pilot Pasture Site N1 “GANAKHLEBA”

The entirety of the pilot site area is registered according to the National Agency of Public Registry (NAPR) as land plot with Cadastral Code **82.06.42.101**. It is currently registered as State property, meaning it is governed by the National Agency of State Property (NASP). However, administrative procedures have been put in place to transfer the pasturelands areas to the Dmanisi Municipality for use.

The total area of the registered plot is 440.3 ha, of which 199.19 ha have been established as a priority for the GEF/FAO supported Project activities in a form of Pilot Pasture Site N1 “GANAKHLEBA” (area outlined in Figure 1 in red).

For Pilot Pasture Site N2 – “NANIANI” in Gurjaani Municipality (Georgia):

Pilot Pasture Site N2 “NANIANI” is divided by two parts: Pilot Pasture Site **N2a** and Pilot Pasture Site **N2b**.

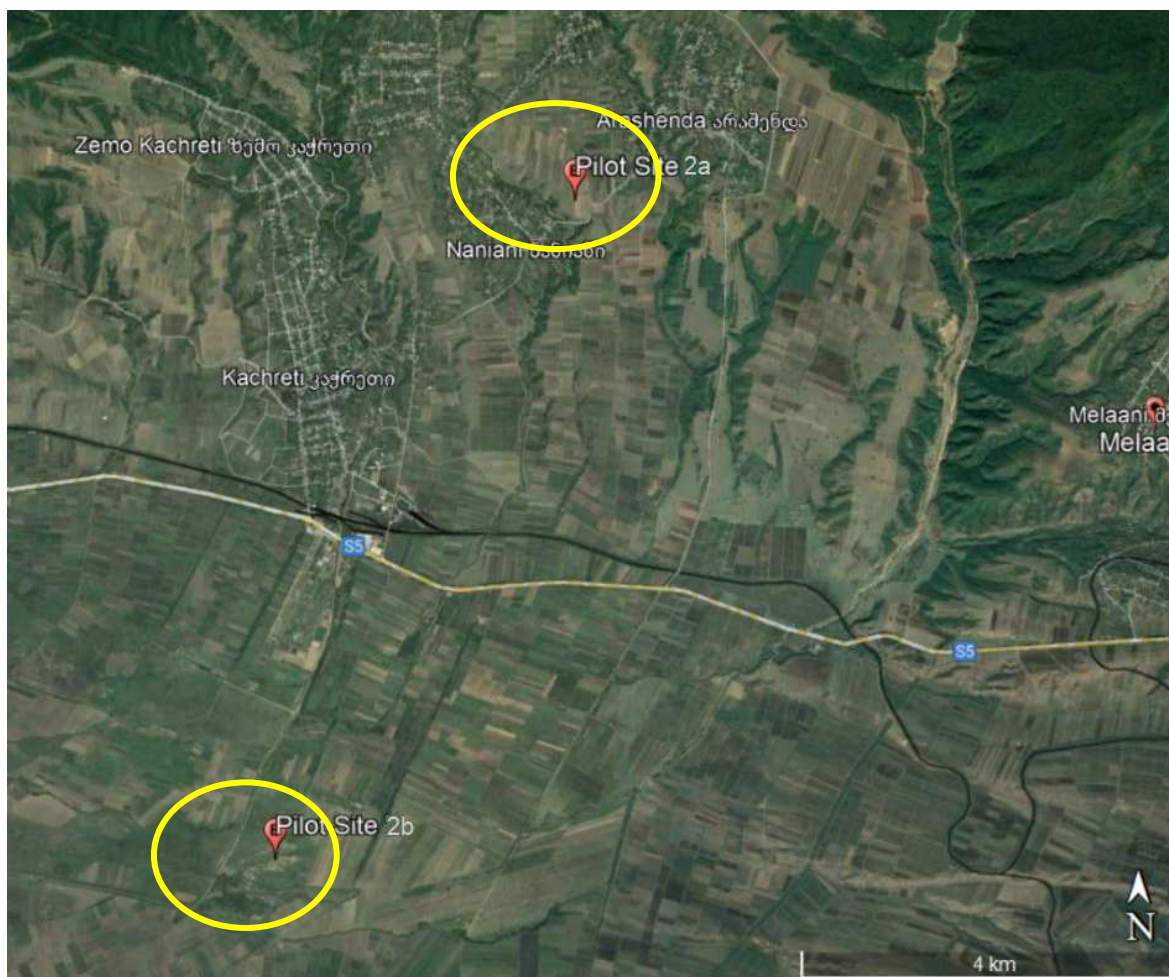


Figure 2. Location of N2a and N2b parts of Pilot Pasture Site “NANIANI” in relation to village Naniani, principal roadways, and local terrain.

Site N2a is (in total 20,2 ha) is very close to village Naniani. It is considered an essential area for local community grazing of principally dairy cattle.

Site N2a consists of two sub-parts: **N2a1** and **N2a2**.

Sub-part **N2a1** of the Naniani Pilot Pasture Site is located on the land plots registered in the ownership of Gurjaani municipality (cadastral codes: **51.22.51.008** (area 3.8 ha); **51.22.51.011** (area 3.4 ha) and **51.22.51.010** (area 5.6 ha).

Sub-part **N2a2** Naniani pilot pasture is located on state-owned agricultural land plots (cadastral codes: **51.22.51.502** (area 6.2 ha); **51.22.51.501** (area 1.1 ha).

Location and the outlying borders of the both sub-parts of **Site N2a** can be seen in Figure 3.

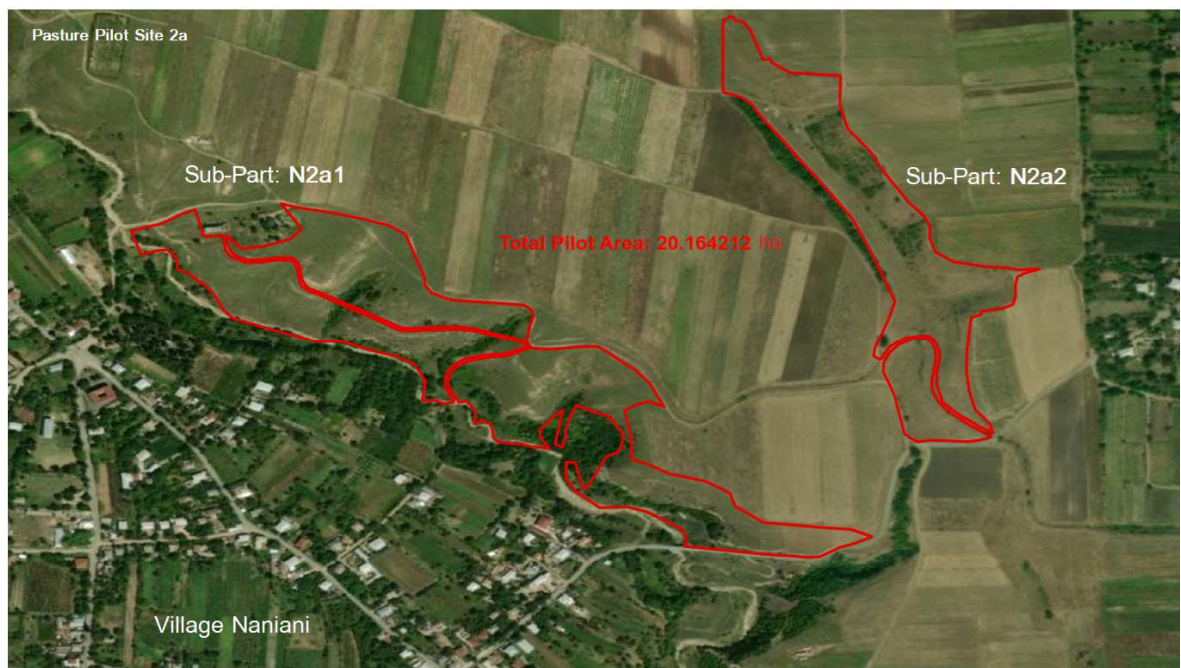


Figure 3. Location and outlying borders of the sub-parts of Pilot Pasture Site N2a “NANIANI”

Site N2b of the Naniani Pilot Pasture is located on a state-owned agricultural land plot (*cadastral code number until Aug-2022: 51.20.64.000.368 with total area of 62.2 ha*).

Currently, this land plot is divided by 4 land plots with the following new cadastral codes: **51.22.53.662** (1.94 ha), **51.22.53.663** (0.56 ha), **51.22.53.664** (0.06 ha) and **51.22.53.665** (59.7 ha).

Site N2b is located to the south of the Naniani community across the S5 Motorway near the Mkrali Ole River (Figure 4). Pilot Pasture Site **N2b** has an area of 32 ha.

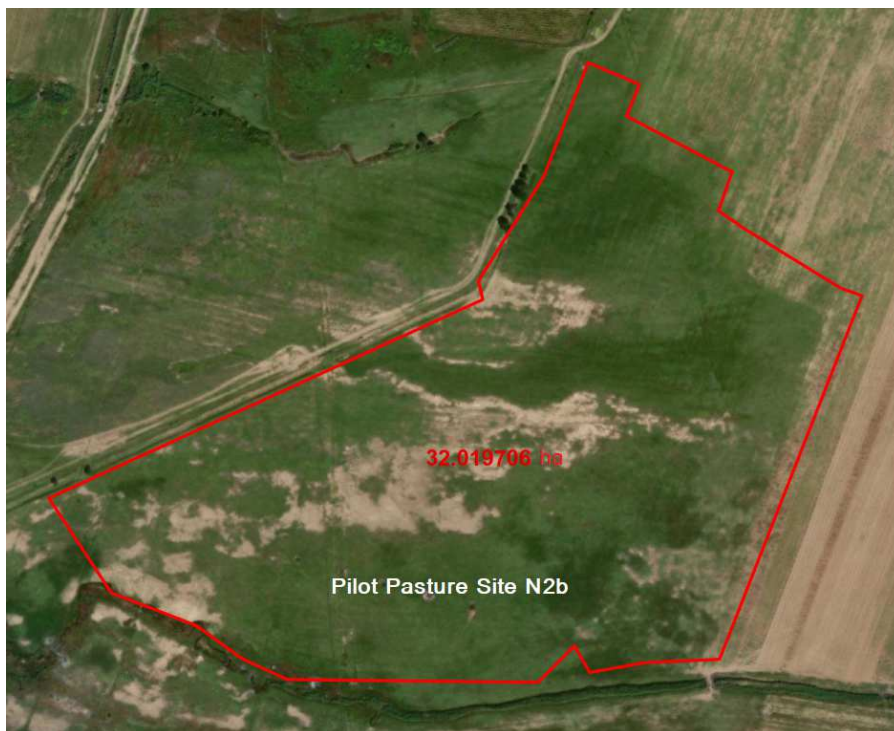


Figure 4. Boundary area of Pilot Pasture Site N2b “NANIANI”

Both parts - **Site N2a** and **Site N2b** are currently being used by local livestock producers to graze in a *de facto* tenure system. They were identified during the GEF/FAO supported Project development phase as a top priority area for pasture restoration and improvement not only for the dependence of local livelihoods, but also for the increasing area that is covered by the invasive woody shrubs (*Paliurus spina-christi*) that are reducing pasture area and productivity.

The pilot site area for Naniani is divided in two parts, though management will be linked. Pilot site area selection was conducted in 2019 under the GEF/FAO supported Project design phase together with Gurjanni Municipal representatives and local stakeholders by applying a set of key criteria on land tenure, number/type of pasture users, importance of area to community livelihoods, access and state of degradation. Their position in relation to each other is provided in Figure 2.

For Pilot Pasture Site N3 – “SNO” in Kazbegi Municipality (Georgia):

Site selection in village Sno was conducted in 2019 under the GEF/FAO supported Project design phase together with Kazbegi Municipal representatives and local stakeholders by applying a set of key criteria on land tenure, number/type of pasture users, importance of area to community livelihoods, access and state of degradation.

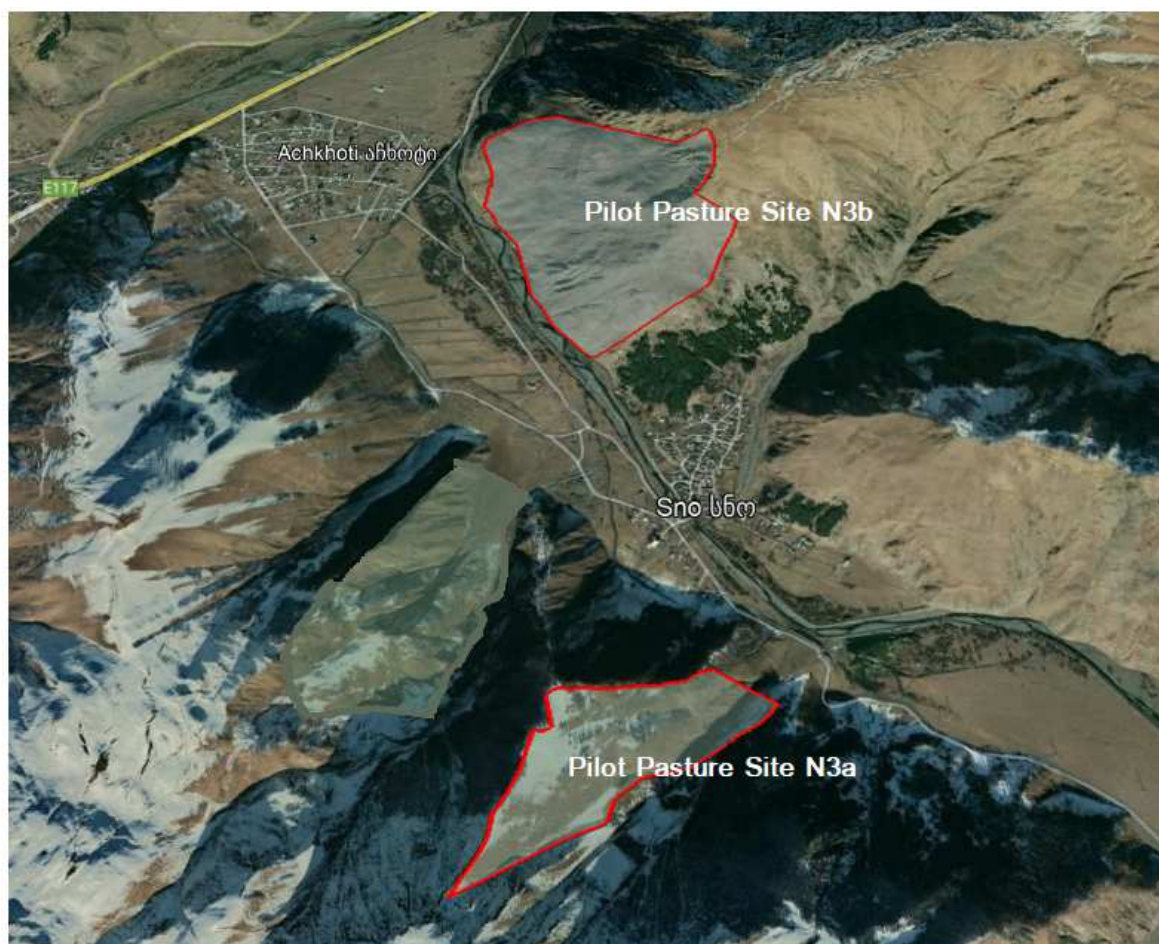


Figure 5. Location of the separate two parts of Pilot Pasture Site N3 “SNO”

As a result of field visits and consultations with local residents, two parts of Pilot Pasture Site N3 “SNO” were selected referred to below as Pilot Pasture Site **N3a** and Pilot Pasture Site **N3b** (see in Figure 5).

Their total area is 150.3 ha. The area of the Site **N3a** is 38.05 ha, and the area of the Site **N3b** pasture is 112.19 ha (see in Figures 6 and 7).

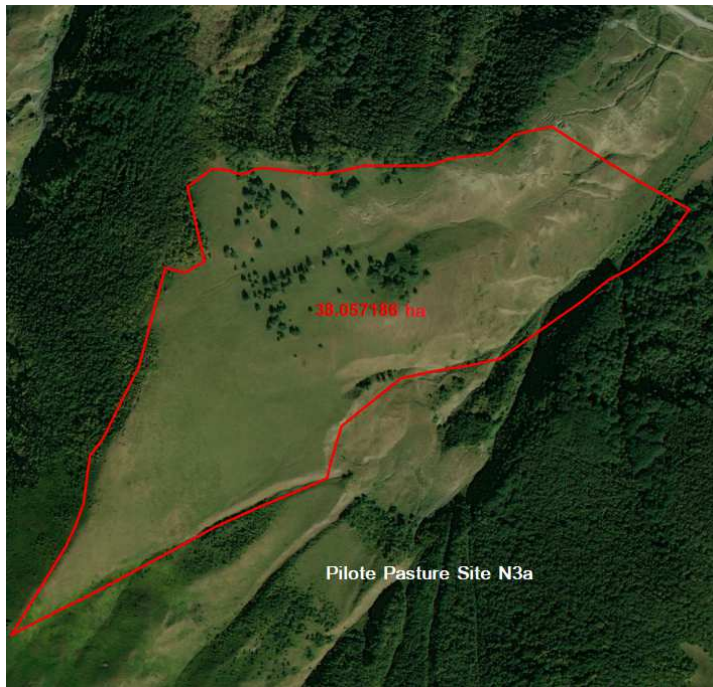


Figure 6. Location of Pilot Pasture Site N3a in Sno village



Figure 7. Location of Pilot Pasture Site N3b in Sno village

The selected pilot pastures in the village of Sno are currently not registered. Kazbegi Municipality has submitted documentation to the National Agency of Public Registry (NAPR) for the registration of pastures in the municipal property.

They are currently being used by local livestock producers to graze in a *de facto* tenure system. They were identified during the GEF/FAO supported Project development phase as a top priority area for pasture restoration and improvement not only for the dependence of local livelihoods, but also for signs of degradation and erosion risk.

Location of the above selected Pilot Pasture Sites could be verified on cadastral map of Georgia which is available through the following web-page of the National Agency of Public Registry (NAPR):

<https://maps.gov.ge>

7.2 Number and Title for Lot 2:

Lot 2: Installation of Fencing Materials (Installation of Fence)

to be installed in the Selected 3 Pilot Pasture Sites in Gurjaani, Dmanisi and Kazbegi Municipalities

and addressed to REC Caucasus.

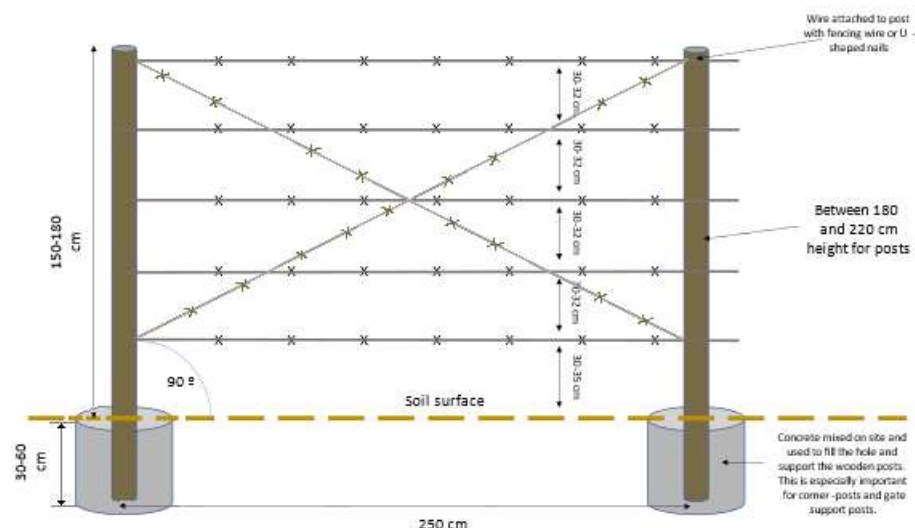
Detailed Technical Data and Specification for the Installation of Fencing Materials see in Extra Excel Sheet - Annex II (*Technical Specification*) attached to the Tender Dossier.

[Part “B” of the Tender Dossier (*Draft Contract and Special Conditions, including Annexes*)]

NOTE : Estimated Fencing Perimeter and Outline of Fence Design and Dimensions for the 3 Pilot Pasture Sites in Gurjaani, Dmanisi and Kazbegi Municipalities:

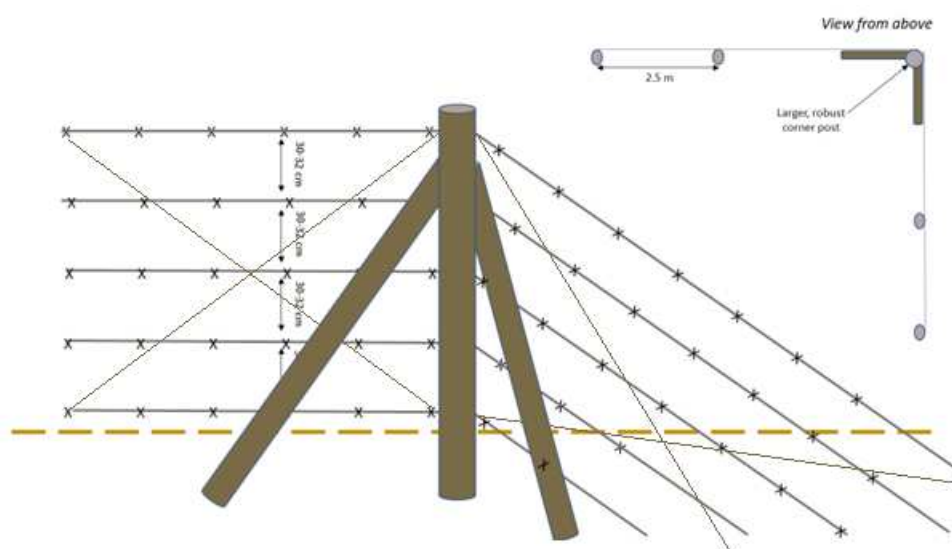
Installation of fencing material (fencing) shall cover perimeter of estimated 40,211 meters (40.22 km) for the above 3 Pilot Pasture Sites consisted in total of 6 isolated parts (land plots) and sub-parts.

Fencing materials shall be installed (fencing shall be constructed) using metal posts of between 1.8 to 2.2 m in height and be placed 2.5 m apart (Picture 1). Where possible, a 90° angle should be maintained between ground and post, though this will vary with terrain and builders are recommended to seek functionality over aesthetic considerations. Holes will be either by hand-dug and posts will be secured in the ground with concrete mixed on site, or with well-placed rocks and backfilled with dirt and compacted. Fixed to this structure will be 5-horizontal-line barbwire fencing with two diagonal barbwire lines which will guarantee more secured structure of the fence.



Picture 1. Outline of required fence design and dimensions

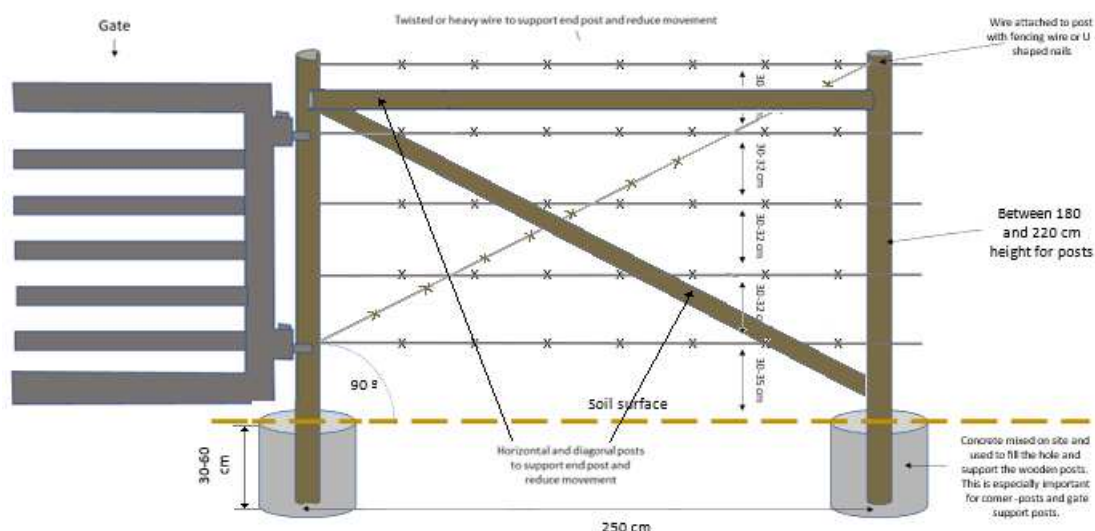
A ‘fence-brace’ structure will be required for those areas where the posts will be under strain from the fencing wires. Bracing structures typically use a support system to counteract the pull and strain of the wires. This can be as simple as two posts being placed in a notch cut on the larger, heavier corner posts at a 45° angle, as seen in Picture 2.



Picture 2. Simple fence-bracing structure

Gates can be constructed at sites using stable wooden (e.g., Acacia [=Robinia pseudoacacia]) materials, which could potentially keep down costs considering the significant number of gates required under this design proposal. The gates will be hung on the thicker, more robust corner posts (Picture 3), which can be wooden if necessary. This style of end post design can also be used for corner post situations if rocky conditions or other soil conditions make movement of the fence likely.

Instructions on exact location of gates will be provided by the REC Caucasus during the installation (fencing) process.



Picture 3. Gate support structure, or for areas of high strain or likelihood of movement

Estimated fencing perimeter and location of fencing perimeter lines for each site are shown below:

For Pilot Pasture Site N1 – “GANAKHLEBA” in Dmanisi Municipality (Georgia):

One isolated land plot with total fencing perimeter of 16,920 m (16.92 km) – see in figure below:

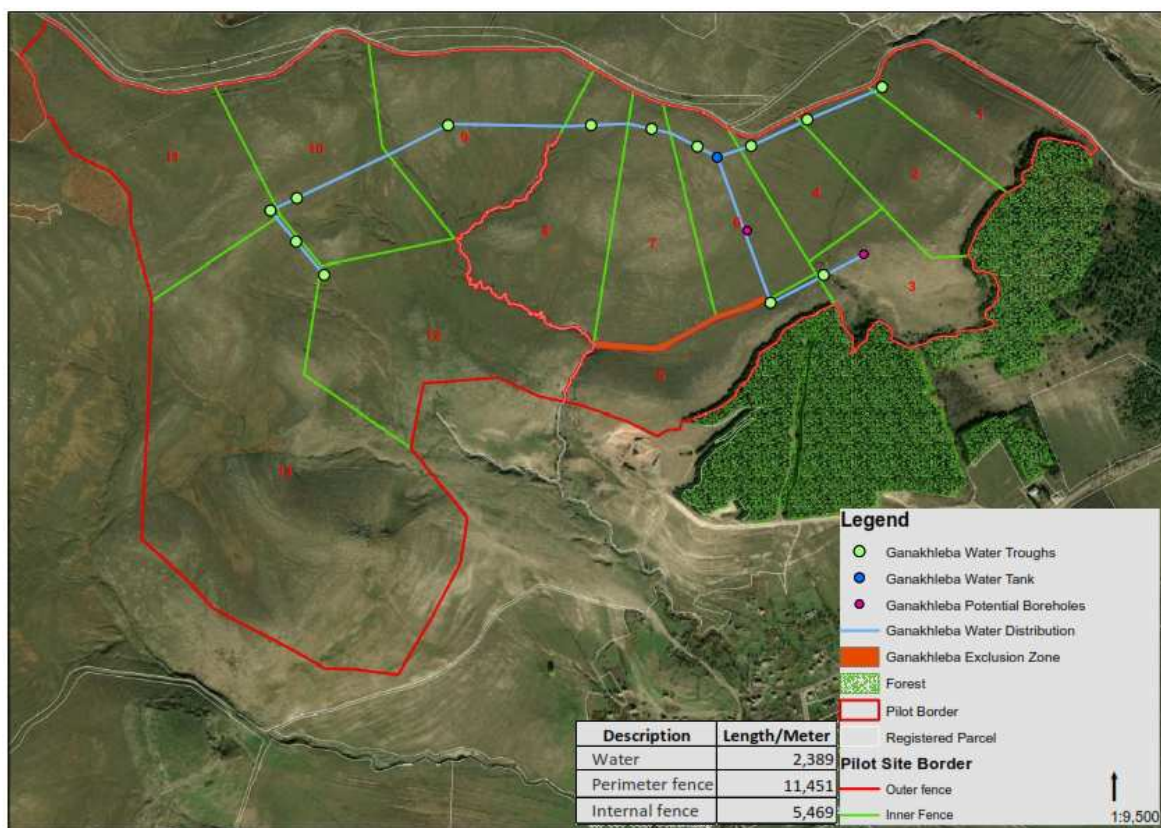


Figure 8. Fencing Perimeter lines for Pilot Pasture Site N1 – “GANAKHLEBA”

NOTE: Fence shall be placed (installed) up to the both: perimeter/outer fence lines (shown in red) and inner fence lines (shown in green).

For Pilot Pasture Site N2 – “NANIANI” in Gurjaani Municipality (Georgia):

Two isolated land parcels (parts) of Pasture Pilot Site N2 with total fencing perimeter of 12,166 m (12.17 km), of which Site N2a (with fencing perimeter of 7,447 m/ 7.45 km) and Site N2b (with fencing perimeter of 4,719 m/4.72 km) – see in figures below:

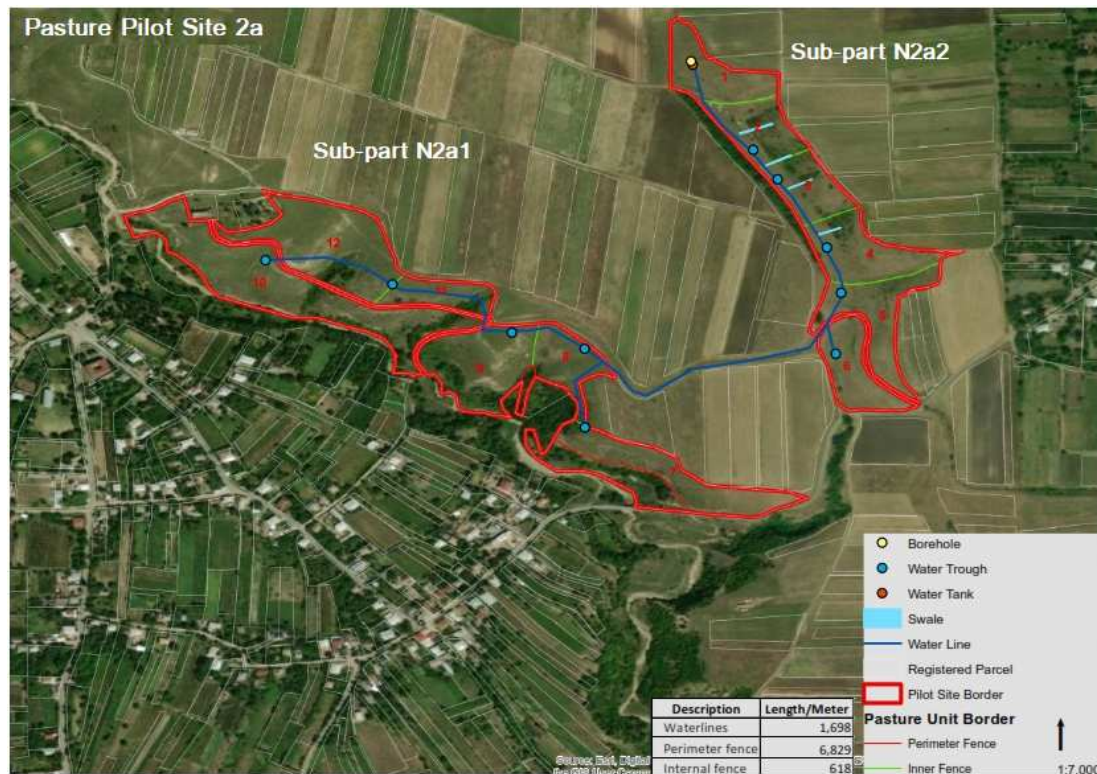


Figure 9. Fencing Perimeter lines for Pilot Pasture Site N2a – “NANIANI” (Sub-parts N2a1 and N2a2)

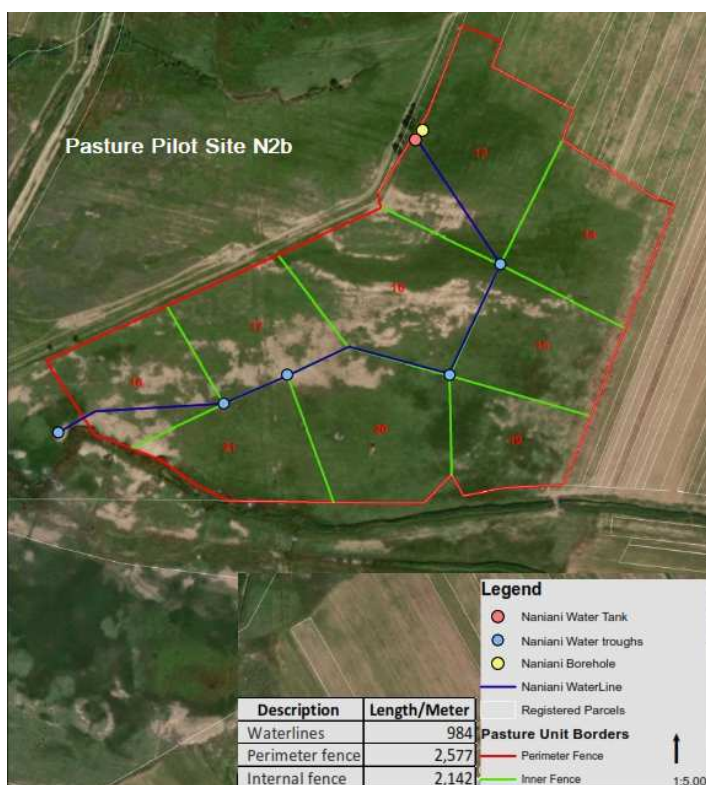


Figure 10. Fencing Perimeter lines for Pilot Pasture Site N2b – “NANIANI”

NOTE: Fence shall be placed (installed) up to the both: perimeter/outer fence lines (shown in red) and inner fence lines (shown in green).

For Pilot Pasture Site N3 – “SNO” in Kazbegi Municipality (Georgia):

Two isolated land parcels (parts) of Pasture Pilot Site N3 with total fencing perimeter of 11,135 m (11.14 km), of which Site N3a (with fencing perimeter of 3,707 m/ 3.71 km) and Site N3b (with fencing perimeter of 7,428 m/ 7.43 km) – see in figures below:

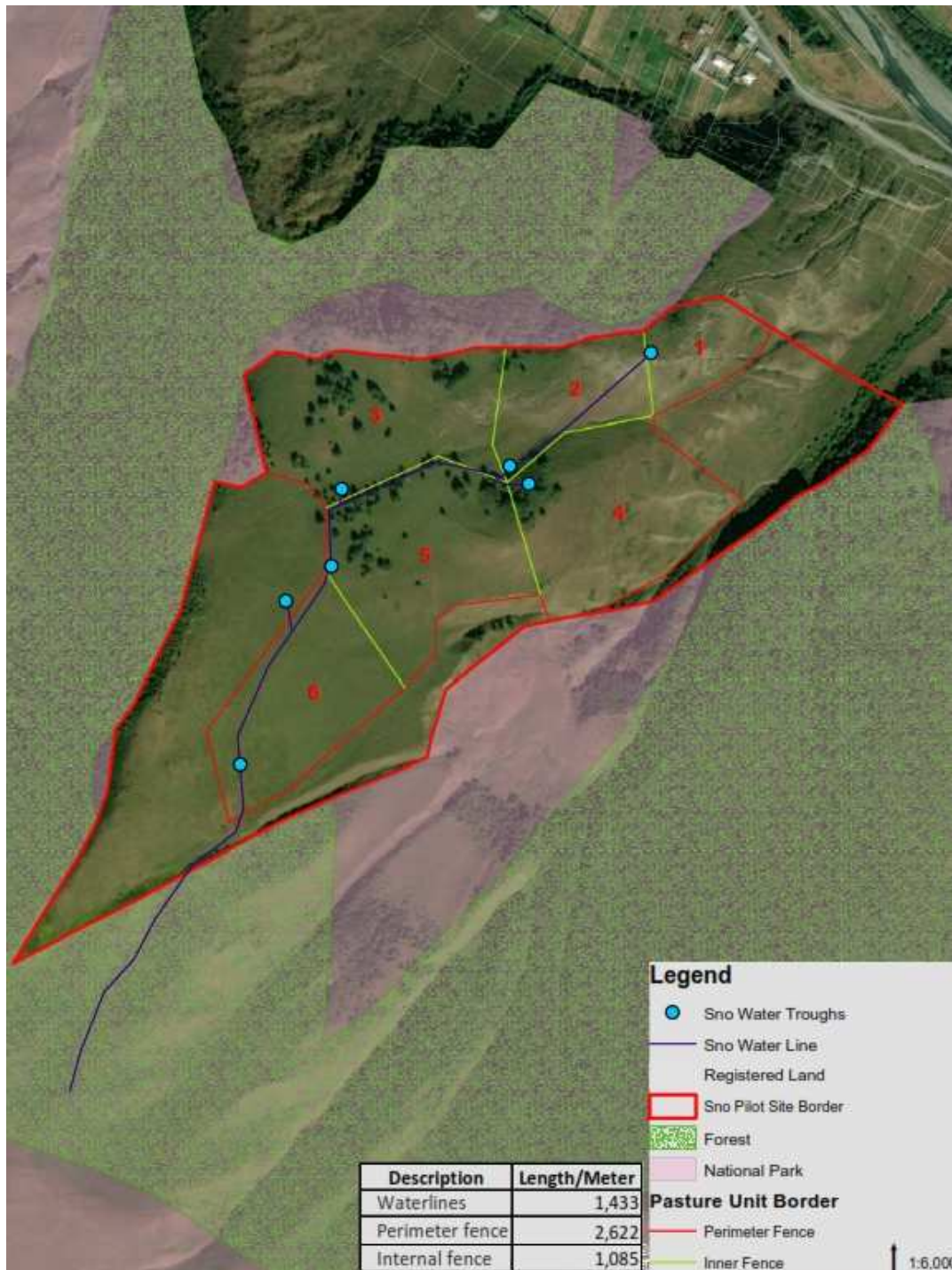


Figure 11. Fencing Perimeter lines for Pilot Pasture Site N3a – “SNO”

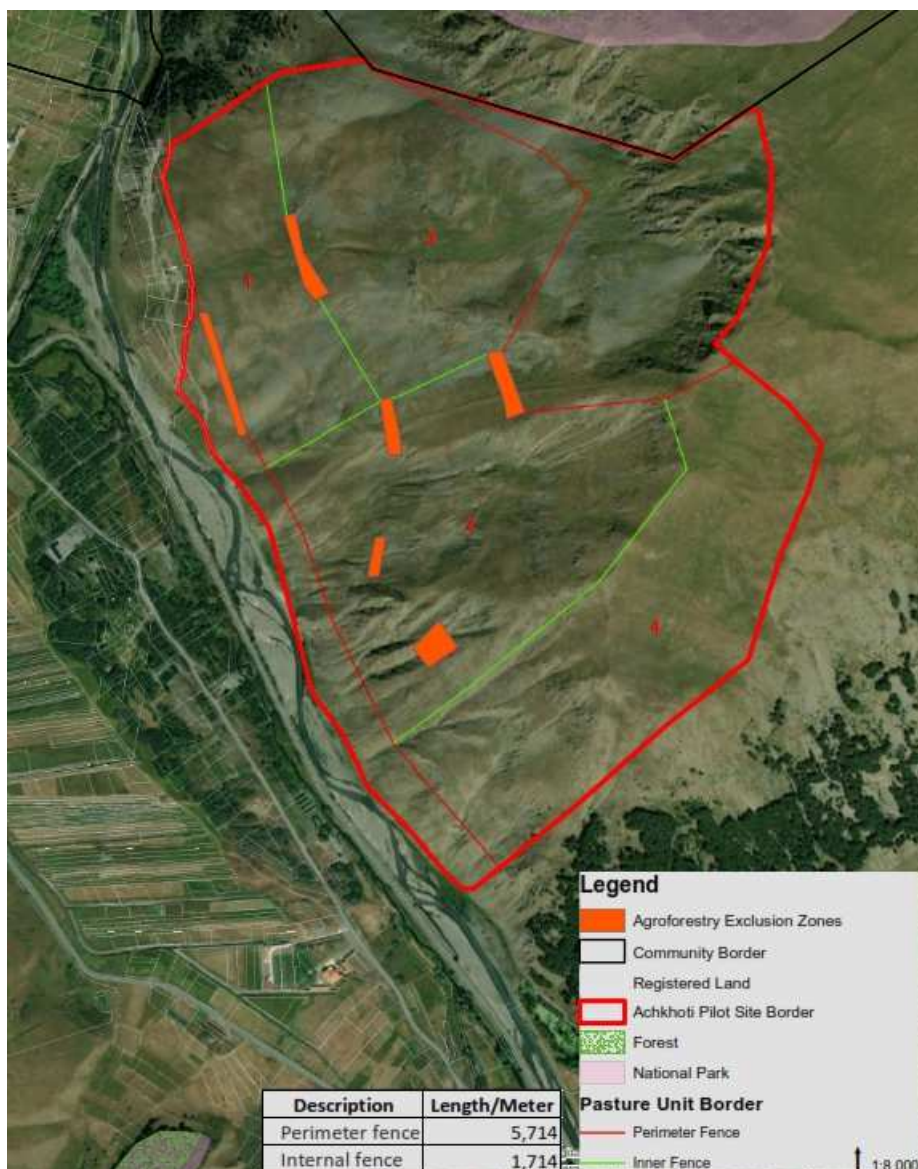


Figure 12. Fencing Perimeter lines for Pilot Pasture Site N3b – “SNO”

NOTE: Fence shall be placed (installed) up to the both: perimeter/outer fence lines (shown in red) and inner fence lines (shown in green).

TERMS OF PARTICIPATION

8. Eligibility and rules of origin

Participation is open to all commercial or non-commercial legal persons participating either individually or in a grouping (consortium) of tenderers, which are established or have branch office registered in:

- Georgia

Participation of natural persons (including individual entrepreneurs) is not allowed.

All goods supplied under this contract must originate in:

➤ Georgia,

or

➤ in a country or territory of the regions covered and/or authorised by the Georgian state and by the specific instruments applicable to the *Operational Partners Agreement (OPA)* under which the contract is financed

9. Grounds for exclusion

Tenderers must submit a signed declaration, included in the Part “B” (Tender form for Supply Contract) of the Tender Dossier to the effect that they are not in any of the situations listed in the declaration.

10. Number of tenders

Tenderers may submit only one tender per lot. Tenders for parts of a lot will not be considered. Any tenderer may state in its tender that it would offer a discount in the event that its tender is accepted for more than one lot. Tenderer may not submit a tender for a variant solution in addition to their tender for the supplies required in the tender dossier.

11. Tender guarantee

Not required

12. Performance guarantee

Not required

13. Information/clarification meeting

Information/clarification meeting is scheduled (as locations of delivery and natures of the items are not simple):

on 25 November, 2022 (14:00 PM of Local Time) at:

Conference Hall of the REC Caucasus

**REC Caucasus
Badri Shoshitaishvili Str. 13
0179 Tbilisi, Georgia
Tel.: + (995 32) 2 250 775
www.rec-caucasus.org**

14. Tender validity

Tenders must remain valid for a period of 90 days after the deadline for submission of tenders.

15. Period of implementation of tasks

Lot 1 – 5 months from the day after the last signature of the contract until the provisional acceptance.

Lot 2 – 7 months from the day after the last signature of the contract until the provisional acceptance

SELECTION AND AWARD CRITERIA

16. Selection criteria

The following selection criteria will be applied to tenderers. In the case of tenders submitted by a consortium, these selection criteria will be applied to the consortium as a whole:

- 1) *Economic and financial capacity of tenderer (based on i.a. Item 3 of the Tender Form for a Supply Contract). In case of tenderer being a public body, equivalent information should be provided.*

The average annual turnover of the tenderer during the last 3 years (2021, 2020 and 2019) must exceed 20% of the total annualized maximum budget of the contract (total contractual cost).

- 2) *Technical capacity of tenderer (based on i.a. items 5 and 6 of the Tender Form for a Supply Contract).*

The tenderer has worked successfully on at least two projects, during the last 3 years, at least 1 contract project in fields (e.g., natural resources management, agriculture, environment protection etc.), whose nature and complexity are comparable to the supply and installation of fencing material concerned by the tender.

17. Award criteria

Upon acceptance of offered technical specification, the sole award criterion will be the price.

TENDERING

18. How to obtain the tender dossier

The tender dossier is available from the following Internet addresses:

REC Caucasus website:

<https://rec-caucasus.org/announcements-vacancies/announcements>

Tenders must be submitted (using the standard Tender Form for a Supply Contract included in the tender dossier, whose format and instructions must be strictly observed) - in writing to:

Ms. Ana Rukhadze, Authorised Officer
REC Caucasus
Badri Shoshitaishvili Str. 13
0179 Tbilisi, Georgia
Tel.: + (995 32) 2 250 775
www.rec-caucasus.org

Tenderers with questions regarding this tender should send them in writing to:

Ms. Ana Rukhadze, Authorised Officer
REC Caucasus
Badri Shoshitaishvili Str. 13
0179 Tbilisi, Georgia
Tel.: + (995 32) 2 250 775
www.rec-caucasus.org

or e-mail them to:

ana.rukhadze@rec-caucasus.org

with cc to:

Ana Khutsishvili, Ms. (Project Administrative Assistant)

ana.khutsishvili@rec-caucasus.org

(mentioning the publication reference shown in item 1) at least 10 calendar days before the deadline for submission of tenders given in item 19.

The Contracting Organization will reply to all tenderers' questions at least 10 days before the deadline for submission of tenders.

Eventual clarifications or minor changes to the tender dossier will be published at the latest 10 days before the submission deadline at the website/s indicated above.

19. Deadline for submission of tenders

Deadline for submission is defined as a minimum of 20 calendar days for local tenders after the date of publication of this procurement notice:

15:00 (Local Time) on 05 December 2022

Any tender received after this deadline will not be considered

20. Indicative time period for tender opening session

05 December, 2022 – 09 December, 2022

21. Language of the procedure

All written communications for this tender procedure and contract must be in Georgian and/or in English.

22. Legal basis

Operational Partners Agreement (OPA) signed in May, 2020 between the Regional Environmental Centre of for the Caucasus and the United Nations Food and Agriculture Organization (FAO) for implementation of the Grant Project (**the Project**) “Achieving Land Degradation Neutrality Targets of Georgia through Restoration and Sustainable Management of Degraded Pasturelands”.

BL-5650-03

INVITATION TO TENDER

Publication reference:

027RECC/G/FAO-[BL-5650-03]-No.01-2022

SUBJECT:

**INVITATION TO TENDER FOR THE
SUPPLY OF FENCING MATERIALS AND INSTALLATION OF FENCE**

***IN GURJAANI, DMANISI AND KAZBEGI MUNICIPALITIES OF GEORGIA WITHIN THE
FRAMEWORK OF GEF/FAO SUPPORTED PROJECT “ACHIEVING LAND DEGRADATION
NEUTRALITY TARGETS OF GEORGIA THROUGH RESTORATION AND SUSTAINABLE
MANAGEMENT OF DEGRADED PASTURELANDS”***

This is an invitation to tender for the above mentioned supply contract. Please find enclosed the following documents, which constitute the tender dossier:

- A. INSTRUCTIONS TO TENDERERS**
- B. DRAFT CONTRACT AND SPECIAL CONDITIONS, INCLUDING ANNEXES**
 - DRAFT CONTRACT**
 - SPECIAL CONDITIONS**
 - ANNEX I GENERAL CONDITIONS**
 - ANNEX II + III TECHNICAL SPECIFICATIONS + TECHNICAL OFFER**
 - ANNEX IV BUDGET BREAKDOWN**
 - ANNEX V FORMS**
- C. FURTHER INFORMATION**
 - ADMINISTRATIVE COMPLIANCE GRID**
 - EVALUATION GRID**
- D. TENDER FORM FOR A SUPPLY CONTRAC**

For information about procurement procedures please the attached Tender Dossier for this tender and its annexes which can be also downloaded from the following **REC Caucasus** web page:
<https://rec-caucasus.org/announcements-vacancies/announcements>

We look forward to receiving your tender before the submission deadline at the address specified in the documents.

Yours sincerely,
Ana Rukhadze
Authorised Officer
REC Caucasus

TENDER DOSSIER

A. INSTRUCTIONS TO TENDERERS

PUBLICATION REF.: 027RECC/G/FAO-[BL-5650-03]-No.01-2022

In submitting a tender, the tenderer accepts in full and without restriction the special and general conditions governing the contract as the sole basis of this tendering procedure, whatever its own conditions of sale may be, which it hereby waives. Tenderers are expected to examine carefully and comply with all instructions, forms, contract provisions and specifications contained in this tender dossier. Failure to submit a tender containing all the required information and documentation within the deadline specified will lead to the rejection of the tender. No account can be taken of any reservation in the tender as regards the tender dossier; any reservation may result in the immediate rejection of the tender without further evaluation.

These Instructions set out the rules for the submission, selection and implementation of contracts financed under this call for tenders, in conformity with the provisions set out in the OPA and REC Caucasus Administration Manual¹.

1 Supplies to be provided

- 1.1 The subject of the contract is the supply and warranty period by the Contractor of the following goods:

Supply and Installation of Fencing Materials

in 2 (Two) Lots as follows:

Lot 1: Supply of Fencing Material

to be delivered
to Selected 3 Pilot Pasture Sites in Gurjaani, Dmanisi and Kazbegi Municipalities
and addressed to REC Caucasus.

Detailed Technical Data and Specification for the Supply and Quantities to be delivered see in Extra Excel Sheet - Annex II (*Technical Specification*) and Annex IV (*Budget Breakdown*) – both attached to the Tender Dossier.

[Part “B” of the Tender Dossier (*Draft Contract and Special Conditions, including Annexes*)]

Delivery to the following 3 Pilot Pasture Sites in Gurjaani, Dmanisi and Kazbegi Municipalities:

- ***Pilot Pasture Site N1 – “GANAKHLEBA” in Dmanisi Municipality***
- ***Pilot Pasture Site N2 – “NANIANI” in Gurjaani Municipality***
 - Pilot Pasture Site N2a
 - Pilot Pasture Site N2b

¹ Rules and regulations under *REC Caucasus Administration Manual* are conformed to generally accepted international standards for public procurement, including adherence to the principles of transparency, proportionality, sound financial management, equal treatment and non-discrimination, and avoidance of any conflict of interests.

- ***Pilot Pasture Site N3 – “SNO” in Kazbegi Municipality***
 - ❑ Pilot Pasture Site N3a
 - ❑ Pilot Pasture Site N3b

NOTE : Location of the 3 Pilot Pasture Sites in Gurjaani, Dmanisi and Kazbegi Municipalities is shown in the Tender Procurement Notice of this call for tenders.

Lot 2: Installation of Fencing Materials (Installation of Fence)

to be installed in the Selected 3 Pilot Pasture Sites in Gurjaani, Dmanisi and Kazbegi Municipalities

and addressed to REC Caucasus.

Detailed Technical Data and Specification for the Installation of Fencing Materials see in Extra Excel Sheet - Annex II (*Technical Specification*) attached to the Tender Dossier.

[Part “B” of the Tender Dossier (Draft Contract and Special Conditions, including Annexes)]

Installation of fencing materials (Installation of Fence) on the following 3 Pilot Pasture Sites in Gurjaani, Dmanisi and Kazbegi Municipalities:

- ***Pilot Pasture Site N1 – “GANAKHLEBA” in Dmanisi Municipality***
- ***Pilot Pasture Site N2 – “NANIANI” in Gurjaani Municipality***
 - ❑ Pilot Pasture Site N2a
 - ❑ Pilot Pasture Site N2b
- ***Pilot Pasture Site N3 – “SNO” in Kazbegi Municipality***
 - ❑ Pilot Pasture Site N3a
 - ❑ Pilot Pasture Site N3b

NOTE : Estimated Fencing Perimeter and Outline of Fence Design and Dimensions for the 3 Pilot Pasture Sites in Gurjaani, Dmanisi and Kazbegi Municipalities are shown in the Tender Procurement Notice of this call for tenders.

For Lot 1: within 5 months from the day after the last signature of the contract until the Provisional Acceptance, in accordance with point 15 of the Procurement Notice.

For Lot 2: within 7 months from the day after the last signature of the contract until the Provisional Acceptance, in accordance with Point 15 of the Procurement Notice

1.2 The supplies must comply fully with the technical specifications set out in the tender dossier (technical annexes) and conform in all respects with the drawings, quantities, models, samples, measurements and other instructions.

1.3 Tenderers are not authorised to tender for a variant in addition to the present tender.

2 Timetable

| | DATE | TIME* |
|---|----------------------|-----------------------|
| Deadline for request for any clarifications from the Contracting Organization (REC Caucasus) | 25.11.2022 | 15:00 Hrs. Local time |
| Last date on which clarifications are issued by the Contracting Organization | 28.11.2022 | 18:00 Hrs. Local time |
| Deadline for submission of tenders | 05.12.2022 | 15:00 Hrs. Local Time |
| Tender opening session (<i>Indicative</i>) | 05-09.12.2022 | - |
| Notification of award to the successful tenderer | 09 December, 2022 | - |
| Signature of the contract | 12-15 December, 2022 | - |

* All times are in the time zone of the country of the Contracting Organization - REC Caucasus

3 Participation

3.1 Participation in tendering is open to all commercial or non-commercial legal persons participating either individually or in a grouping (consortium) of tenderers, which are established or have branch office registered in:

- Georgia

Participation of natural persons (including individual entrepreneurs) is not allowed.

These terms refer to all commercial or non-commercial legal entities, companies or partnerships constituted under, and governed by, the civil, commercial or public law of Georgia and having their statutory office, central administration or principal place of business in Georgia or branch office registered in Georgia. A legal entity, company or partnership having only its statutory office in Georgia must be engaged in an activity which has an effective and continuous link with the economy of the state of Georgia.

3.2 All goods supplied under this contract must originate in:

- Georgia,
- or
- in a country or territory of the regions covered and/or authorised by the Georgian state and by the specific instruments applicable to the *Operational Partners Agreement (OPA)* of under which the contract is financed.

3.3 These rules apply to:

- a) tenderers
- b) members of a consortium
- c) any subcontractors.

3.4 Potential tenderers shall be excluded from the participation in a procurement or award procedure if they meet either of the criteria set out below or in further guidance provided if procurement is authorized:

- a. *they are not established in Georgia or do not have branch office registered in Georgia.*
- b. *they, or persons having powers of representation, decision making or control over them, have misrepresented information required as a condition of participation in the tender procedure or if they fail to supply relevant information;*
- c. *they are entities listed on the Consolidated United Nations Security Council Sanctions List (<https://scsanctions.un.org/consolidated/>), or:*
- d. *they are subject to a conflict of interests;*
- e. *they are bankrupt, subject to insolvency or winding-up procedures, their assets are being administered by a liquidator or by a court, they are in an arrangement with creditors, their business activities are suspended or they are in any analogous situation arising from a similar procedure provided for under international law or national legislation and/or regulations of Georgia;*
- f. *they are under breach of their obligations relating to the payment of taxes or social security contributions in accordance with the applicable law;*

- g. *they have shown significant deficiencies in complying with the main obligations in the performance of a contract or an agreement financed by the Georgia's state and/or a municipal budget, which has led to their early termination or to the application of liquidated damages or other contractual penalties, or which has been discovered following checks, audits or investigations by Georgia's state and/or municipal contracting authority;*
- h. *they are in any analogous situation described above and applicable to the Operational Partners Agreement (OPA) under which the contract is financed, international law or Georgia's national legislation.*

Tenderers must provide declarations to the effect that they are not in any of these exclusion situations. The declarations must cover all the members of a joint venture/consortium.

3.5 To be eligible for participation in this tender procedure, tenderers must prove to the satisfaction of the Contracting Organization that they comply with the necessary legal, technical and financial requirements and have the means to carry out the contract effectively.

3.6 If the offer includes subcontracting, it is recommended that the contractual arrangements between the tenderer and its subcontractors include mediation, according to national and international practices, as a method of dispute resolution.

4 Origin

4.1 Unless otherwise provided in the contract all goods purchased must originate in:

- Georgia,
- or
- in a country or territory of the regions covered and/or authorised by the Georgian state and by the specific instruments applicable to the *Operational Partners Agreement (OPA)* under which the contract is financed.

For these purposes, "origin" means the place where the goods are mined, grown, produced or manufactured and/or from which services are provided. The origin of the goods must be determined according to the Georgia's customs law or to the relevant international agreement applicable.

4.2 When submitting its tender, the tenderer must state expressly that all the goods meet the requirements concerning origin. It may be asked to provide additional information in this connection.

5 Type of contract

5.1 For Lot 1 - Unit - Price

5.2 For Lot 2 - Lumpsum Price

6 Currency

6.1 Tenders must be presented in Georgia's national currency – Lari (GEL).

7 Lots

7.1 The tenderer shall submit a tender for all of the 2 lots together.

7.2 Both 2 lots will form a single contract covering all those lots.

7.3 A tender may include in its tender the overall discount it would grant. The discount should be clearly indicated for each lot in such a way that it can be announced during the tender opening session.

7.4 Tenders for all of the 2 lots will be evaluated together – so, that Contracting Organisation is able to select the most favourable overall solution.

8 Period of validity

8.1 Tenderers shall be bound by their tenders for a period of 90 days from the deadline for the submission of tenders.

8.2 In exceptional cases and prior to the expiry of the original tender validity period, the Contracting Organization may ask tenderers in writing to extend this period by 40 days. Such requests and the responses to them must be made in writing. Tenderers that agree to do so will not be permitted to modify their tenders and they are bound to extend the validity of their tender guarantees for the revised period of validity of the tender. If they refuse, without forfeiture of their tender guarantees, their participation in the tender procedure will be terminated.

8.3 The successful tenderer will be bound by its tender for a further period of 60 days. The further period is added to the validity period irrespective of the date of notification.

9 Language of offers

9.1 The offers, all correspondence and documents related to the tender exchanged by the tenderer and the Contracting Organization must be written in the language of the procedure which is English unless otherwise is indicated in Technical and Financial Offer forms.

Supporting documents could be submitted in Georgian language as well without translation into the language of the call for tender. Where the documents are in an official language of Georgia (Georgian), it is however recommended to provide a translation into the language of the call for tenders, in order to facilitate smooth the evaluation of the documents.

10 Submission of tenders

10.1 Tenders must be received before the deadline specified in 10.3. They must include all the documents specified in point 11 of these Instructions and be sent to the following address:

Ana Rukhadze, Authorised Officer
REC Caucasus
Badri Shoshitaishvili Str. 13
0179 Tbilisi, Georgia
Tel.: + (995 32) 2 250 775

If the tenders are hand delivered they should be delivered to the following address:

Ana Rukhadze, Authorised Officer
REC Caucasus
Badri Shoshitaishvili Str. 13
0179 Tbilisi, Georgia
Tel.: + (995 32) 2 250 775

Opening Hours: Mo-Fr : 10:00-18:00

Tenders must comply with the following conditions:

10.2 All tenders must be submitted in one original, marked “original”, and 2 copies signed in the same way as the original and marked “copy”.

10.3 All tenders must be received at:

REC Caucasus
Badri Shoshitaishvili Str. 13
0179 Tbilisi, Georgia

before the deadline

05 December 2022 - 15:00 Hrs A.M (Local Time)

by registered letter with acknowledgement of receipt or hand-delivered against receipt signed by the Contracting Organization’s representative.

10.4 All tenders, including annexes and all supporting documents, must be submitted in a sealed envelope bearing only:

- a) the above address;
- b) name of authorized officer;
- c) the reference code of this tender procedure,
(i.e., Publication Reference: **027RECC/G/FAO-[BL-5650-03]-No.01-2022**);
- d) the words “Not to be opened before the tender opening session” in the language of the tender dossier;
- e) the name of the tenderer.

TENDER DOCUMENTS FOR A SUPPLY CONTRACT

(1 Original and 2 Copies)

TO: *Ana Rukhadze, Authorised Officer*
REC Caucasus
Badri Shoshitaishvili Str. 13
0179 Tbilisi, Georgia

Tender Reference: 027RECC/G/FAO-[BL-5650-03]-No.01-2022

Not to be opened before the tender opening session

FROM: *Name of the tenderer (Company Name) and Address*

The Tender Submission Form (technical and financial offers and supporting documentation) must be placed together in a sealed envelope:



11 Content of tenders

All tenders submitted must comply with the requirements in the tender dossier and comprise:

Part 1: Technical offer:

- a detailed description of the supplies tendered in conformity with the technical specifications, including any documentation required, including if applicable.

The technical offer should be presented as per template (annex II+III*, the contractor's technical offer) completed when and if necessary by separate sheets for details.

Part 2: Financial offer:

- A financial offer calculated for the supplies tendered.

This financial offer should be presented as per template (annex IV*, budget breakdown), and if necessary completed by separate sheets for the details.

- An electronic version of the financial offer

Part 3: Documentation:

To be supplied following templates in annex V* :

- The tender guarantee as indicated in point 11 of the Procurement Notice “ **Not Applicable** ”;
- The “Tender Form for a Supply Contract”, duly completed, which includes the tenderer's declaration, point 7, (from each member if a consortium):

* Annex/es to the draft Contract - see in Part B (B. DRAFT CONTRACT AND SPECIAL CONDITIONS, INCLUDING ANNEXES)

* Annex to the draft Contract - see in Part B (B. DRAFT CONTRACT AND SPECIAL CONDITIONS, INCLUDING ANNEXES)

* Annex to the draft Contract - see in Part B (B. DRAFT CONTRACT AND SPECIAL CONDITIONS, INCLUDING ANNEXES)

- Business Registration Extract on entity (*or entities if consortium*) from the **Registry of Entrepreneurs and Non-entrepreneurial (Non-commercial) Legal Entities** – updated within the period of November, 2022 – issued after announcement date of this call by the National Agency of Public Registry (NAPR).
www.napr.gov.ge
- Certificate form from the **Register of Debtors** on entity (*or entities if consortium*) – issued after announcement date of this call by the National Bureau of Enforcement (NBE).
www.nbe.gov.ge
- The details of the bank account issued by a tenderer's service bank operating in Georgia into which payments should be made [**Bank Details of Account in National Currency**].
- Income and Expenditure Statements of the operation of the Tenderer for the past three (3) financial years – 2019-2020-2021 in National Currency - GEL [**Statement about Account Turnover for 2019-2020-2021 issued by a tenderer's service bank (or banks) operating in Georgia**].

To be supplied on free formats:

- Duly authorised signature: an official document (statutes, power of attorney, notary statement, etc.) proving that the person who signs on behalf of the company/joint venture/consortium is duly authorised to do so – in case if the person who signs a tender on behalf of the company/joint venture/consortium is different from those who are mentioned as persons with management and/or representative powers on Business Registration Extract on entity (*or entities if consortium*).
- A list of contracts completed in the past three (3) years [2019-2020-2021] must be provided at the time of tendering along with the references to the evidences of successful completion.

Remarks:

Tenderers are requested to follow this order of presentation:

Annex I to V* refers to templates attached to the tender dossier.

12. Taxes and other charges

Lot 1: The goods under this Tender Dossier are to be delivered on the basis DDP/Delivery Duty Paid to specified locations (*selected Pilot Pasture Sites*) in Georgia (*including VAT, customs, import and other taxes and fees*)

Lot 2: Lumpsum Price (including Value added Tax - VAT)

* Annexes to the draft Contract - see in Part B (*B. DRAFT CONTRACT AND SPECIAL CONDITIONS, INCLUDING ANNEXES*)

13. Additional information before the deadline for submission of tenders

The tender dossier should be clear enough to preclude the need for tenderers to request additional information during the procedure. If the Contracting Organization, either on its own initiative or in response to a request from a prospective tenderer, provides additional information on the tender dossier, it must be published on REC Caucasus web-page to make it available for all other prospective tenderers at the same time.

Tenderers may submit questions in writing (or email) to the following address up to 10 calendar days before the deadline for submission of tenders, specifying the:

publication reference no. 027RECC/G/FAO-[BL-5650-03]-No.01-2022

and

the contract title: Supply of Fencing Materials and Installation of Fence in Gurjaani, Dmanisi and Kazbegi Municipalities of Georgia

Ana Rukhadze, Authorised Officer
REC Caucasus
Badri Shoshitaishvili Str. 13
0179 Tbilisi, Georgia
Tel.: + (995 32) 2 250 775

ana.rukhadze@rec-caucasus.org

with cc to:

Ana Khutsishvili, Ms. (Project Administrative Assistant)

ana.khutsishvili@rec-caucasus.org

The REC Caucasus has no obligation to provide clarifications after this date.

Any clarification of the tender dossier will be published on the following website:

REC Caucasus website:

<https://rec-caucasus.org/announcements-vacancies/announcements/>

at the latest 10 days before the deadline for submission of tenders.

Any prospective tenderers seeking to arrange individual meetings with either the Contracting Organization during the tender period may be excluded from the tender procedure.

14. Information/Clarification meeting

14.1 Information/clarification meeting is scheduled (as locations of delivery and natures of the items are not simple):

on 25 November, 2022 (14:00 PM of Local Time) at:

Conference Hall of the REC Caucasus

**REC Caucasus
Badri Shoshitaishvili Str. 13
0179 Tbilisi, Georgia
Tel.: + (995 32) 2 250 775
www.rec-caucasus.org**

15. Alteration or withdrawal of tenders

15.1 Tenderers may alter or withdraw their tenders by written notification prior to the deadline for submission of tenders referred to in Article 10.1. No tender may be altered after this deadline. Withdrawals must be unconditional and will end all participation in the tender procedure.

15.2 Any such notification of alteration or withdrawal must be prepared and submitted in accordance with Article 10. The outer envelope must be marked 'Alteration' or 'Withdrawal' as appropriate.

16. Costs of preparing tenders

No costs incurred by the tenderer in preparing and submitting the tender are reimbursable. All such costs will be borne by the tenderer.

17. Ownership of tenders

The REC Caucasus retains ownership of all tenders received under this tender procedure. Consequently, tenderers have no right to have their tenders returned to them.

18. Joint venture or consortium

18.1 If a tenderer is a joint venture or consortium of two or more persons, the tender must be single with the object of securing a single contract, each person must sign the tender and will be jointly and severally liable for the tender and any contract. Those persons must designate one of their members to act as leader with authority to bind the joint venture or consortium. The composition of the joint venture or consortium must not be altered without the prior consent in writing of the Contracting Organization.

18.2 The tender may be signed by the representative of the joint venture or consortium only if it has been expressly so authorised in writing by the members of the joint venture or consortium, and the authorising contract, notarial act or deed must be submitted to the Contracting Organization in accordance with point 11 of these Instructions to Tenderers. All signatures to the authorising instrument must be certified in accordance with the national laws and regulations of Georgia of each party comprising the joint venture or consortium together with the powers of attorney establishing, in writing, that the signatories to the tender are empowered to enter into commitments on behalf of the members of the joint venture or consortium. Each member of such joint venture or consortium must provide the proof required under Article 3.5 as if it, itself, were the tenderer.

19. Opening of tenders

19.1 The opening and examination of tenders is for the purpose of checking whether the tenders are complete, whether the required documents have been properly included and whether the tenders are generally in order.

19.2 The tenders will be opened :

within the period of **05-09 December 2022 at 16:00 Hrs. A. M. (Local Time)**

at

**REC Caucasus
Badri Shoshitaishvili Str. 13
0179 Tbilisi, Georgia**

by the Selection Committee appointed in advance for the purpose. The Selection Committee will draw up minutes of the meeting, which will be available on request.

19.3 At the tender opening, the tenderers' names, the tender prices, any discount offered, written notifications of alteration and withdrawal, the presence of the requisite tender guarantee (if required) and such other information as the Contracting Organization may consider appropriate may be announced.

19.4 After the public opening of the tenders, no information relating to the examination, clarification, evaluation and comparison of tenders, or recommendations concerning the award of the contract can be disclosed until after the contract has been awarded.

19.5 Any attempt by a tenderer to influence the Selection Committee in the process of examination, clarification, evaluation and comparison of tenders, to obtain information on how the procedure is progressing or to influence the Contracting Organization in its decision concerning the award of the contract will result in the immediate rejection of its tender.

19.6 All tenders received after the deadline for submission specified in the procurement notice or these instructions will be kept by the Contracting Organization. No liability can be accepted for late delivery of tenders. Late tenders will be rejected and will not be evaluated.

20. Evaluation of tenders

20.1 *Examination of the administrative conformity of tenders*

The aim at this stage is to check that tenders comply with the essential requirements of the tender dossier. A tender is deemed to comply if it satisfies all the conditions, procedures and specifications in the tender dossier without substantially departing from or attaching restrictions to them.

Substantial departures or restrictions are those which affect the scope, quality or execution of the contract, differ widely from the terms of the tender dossier, limit the rights of the Contracting Organization or the tenderer's obligations under the contract or distort competition for tenderers whose tenders do comply. Decisions to the effect that a tender is not administratively compliant must be duly justified in the evaluation minutes.

If a tender does not comply with the tender dossier, it will be rejected immediately and may not subsequently be made to comply by correcting it or withdrawing the departure or restriction.

20.2 *Technical evaluation*

After analysing the tenders deemed to comply in administrative terms, the Selection Committee will rule on the technical admissibility of each tender, classifying it as technically compliant or non-compliant.

The minimum qualifications required (see selection criteria in Procurement Notice point 16) are to be evaluated at the start of this stage.

Where contracts include after-sales service and/or training, the technical quality of such services will also be evaluated by using yes/no criteria as specified in the tender dossier.

20.3 In the interests of transparency and equal treatment and to facilitate the examination and evaluation of tenders, the Selection Committee may ask each tenderer individually for clarification of its tender including breakdowns of prices, within a reasonable time limit to be fixed by the Selection Committee. The request for clarification and the response must be in writing, but no change in the price or substance of the tender may be sought, offered or permitted except as required to confirm the correction of arithmetical errors discovered during the evaluation of tenders pursuant to Article 20.4. Any such request for clarification must not distort competition. Decisions to the effect that a tender is not technically compliant must be duly justified in the evaluation minutes.

20.4 Financial evaluation

- a) Tenders found to be technically compliant shall be checked for any arithmetical errors in computation and summation. Errors will be corrected by the Selection Committee as follows:
 - where there is a discrepancy between amounts in figures and in words, the amount in words will be the amount taken into account;
 - except for lump-sum contracts, where there is a discrepancy between a unit price and the total amount derived from the multiplication of the unit price and the quantity, the unit price as quoted will be the price taken into account.
- b) Amounts corrected in this way will be binding on the tenderer. If the tenderer does not accept them, its tender will be rejected.

20.5 Variant solutions

Variant solutions will not be taken into consideration.

20.6 Award criteria

The sole award criterion will be the price. The contract will be awarded to the lowest compliant tender.

21. Signature of the contract and performance guarantee

21.1 The successful tenderer will be informed in writing that its tender has been accepted (notification of award). Before the Contracting Organization signs the contract with the successful tenderer, the successful tenderer must provide the **documentary proof** or statements required under the law of Georgia to show that it does not fall into the exclusion situations. This evidence or these documents or statements must carry a date, which cannot be more than 1 month before the date of submission of the tender. In addition, a statement shall be furnished stating that the situations described in these documents have not changed since then.

21.2 The successful tenderer shall also provide evidence of the financial and economic standing and the technical and professional capacity according to the selection criteria for this call for tender specified in the procurement notice, point 16.

21.3 If the successful tenderer fails to provide the documentary proof or statement or the evidence of the financial and economic standing and the technical and professional capacity within 15 calendar days following the notification of award or if the successful tenderer is found to have provided false information, the award will be considered null and void. In such a case, the Contracting Organization may award the tender to the next lowest tenderer or cancel the tender procedure.

21.4 The Contracting Organization reserves the right to vary the quantities specified for the lot 1 within a range of 100%. The total value of the supplies may not rise or fall as a result of the variation in the quantities by more than 25 % of the tender price at the time of contracting and during the validity of the contract. The unit prices used in the tender shall be applicable to the quantities procured under the variation.

21.5 Within 30 days of receipt of the contract already signed by the Contracting Organization, the selected tenderer must sign and date the contract and return it, with the performance guarantee (if applicable), to the Contracting Organization. On signing the contract, the successful tenderer will become the Contractor and the contract will enter into force.

21.6 If it fails to sign and return the contract and any financial guarantee required within 30 days after receipt of notification, the Contracting Organization may consider the acceptance of the tender to be cancelled without prejudice to the Contracting Organization's right to seize the guarantee, claim compensation or pursue any other remedy in respect of such failure, and the successful tenderer will have no claim whatsoever on the Contracting Organization.

21.7 The performance guarantee referred to in the General Conditions is set at –
Not Applicable

(as mentioned under Article 12 of the supply procurement notice) - of the amount of the contract and must be presented in the form specified in the annex to the tender dossier. It will be released within 45 days of the issue of the final acceptance certificate by the Contracting Organization, except for the proportion assigned to after-sales service.

22. Tender guarantee (Not Applicable)

23 Ethics clauses

23.1 Any attempt by a candidate or tenderer to obtain confidential information, enter into unlawful agreements with competitors or influence the committee or the Contracting Organization during the process of examining, clarifying, evaluating and comparing tenders will lead to the rejection of its candidacy or tender and may result in administrative penalties.

23.2 Without the Contracting Organization's prior written authorisation, a Contractor and its staff or any other company with which the Contractor is associated or linked may not, even on an ancillary or subcontracting basis, supply other services, carry out works or supply equipment for the Project. This prohibition also applies to any other projects that could, owing to the nature of the contract, give rise to a conflict of interest on the part of the Contractor.

23.3. When putting forward a candidacy or tender, the candidate or tenderer shall declare that it is affected by no conflict of interest and has no equivalent relation in that respect with other tenderers or parties involved in the Project. Should such a situation arise during execution of the contract, the Contractor must immediately inform the Contracting Organization.

23.4 The Contractor must at all times act impartially and as a faithful adviser in accordance with the code of conduct of its profession. It shall refrain from making public statements about the Project or services without the Contracting Organization's prior approval. It may not commit the Contracting Organization in any way without its prior written consent.

23.5 For the duration of the contract the Contractor and its staff shall respect human rights and undertake not to offend the political, cultural and religious mores of the beneficiary state - Georgia. In particular and in accordance with the legal basic act concerned, tenderers who have been awarded contracts shall respect core labour standards as defined in the relevant International Labour Organisation conventions to which Georgia is a party (*such as the Conventions on freedom of association and*

collective bargaining; Abolition of forced and compulsory labour; Elimination of forced and compulsory labour; Abolition of child labour).

23.6 The Contractor may accept no payment connected with the contract other than that provided for therein. The Contractor and its staff must not exercise any activity or receive any advantage inconsistent with their obligations to the Contracting Organization.

23.7 The Contractor and its staff shall be obliged to maintain professional secrecy for the entire duration of the contract and after its completion. All reports and documents drawn up or received by the Contractor shall be confidential.

23.8 The contract shall govern the Contracting Parties' use of all reports and documents drawn up, received or presented by them during the implementation of the contract.

23.9 The Contractor shall refrain from any relationship likely to compromise its independence or that of its staff. If the Contractor ceases to be independent, the Contracting Organization may, regardless of injury, terminate the contract without further notice and without the Contractor having any claim to compensation.

23.10 The Contracting Organization reserves the right to suspend or cancel project financing if corrupt practices of any kind are discovered at any stage of the award process and if the Contracting Organization fails to take all appropriate measures to remedy the situation. For the purposes of this provision, "corrupt practices" are the offer of a bribe, gift, gratuity or commission to any person as an inducement or reward for performing or refraining from any act relating to the award of a contract or implementation of a contract already concluded with the Contracting Organization.

23.11 All tenders will be rejected or contracts terminated if it emerges that the award or implementation of a contract has given rise to unusual commercial expenses. Such unusual commercial expenses are commissions not mentioned in the main contract or not stemming from a properly concluded contract referring to the main contract, commissions not paid in return for any actual and legitimate service, commissions remitted to a tax haven, commissions paid to a recipient who is not clearly identified or commissions paid to a company which has every appearance of being a front company.

24 Cancellation of the tender procedure

In the event of a tender procedure's cancellation, tenderers will be notified by the Contracting Organization. If the tender procedure is cancelled before the tender opening session the sealed envelopes will be returned, unopened, to the tenderers.

Cancellation may occur where:

- *the tender procedure has been unsuccessful, namely where no qualitatively or financially worthwhile tender has been received or there has been no valid response at all;*
- *the economic or technical parameters of the Project have been fundamentally altered;*
- *exceptional circumstances or force majeure render normal implementation of the Project impossible;*
- *all technically compliant tenders exceed the financial resources available;*
- *there have been irregularities in the procedure, in particular where these have prevented fair competition;*
- *the award is not in compliance with sound financial management, i.e. does not respect the principles of economy, efficiency and effectiveness (e.g. the price*

proposed by the tenderer to whom the contract is to be awarded is objectively disproportionate with regard to the price of the market).

In no event shall the Contracting Organization be liable for any damages whatsoever including, without limitation, damages for loss of profits, in any way connected with the cancellation of a tender procedure even if the Contracting Organization has been advised of the possibility of damages.

25. Appeals

Tenderers believing that they have been harmed by an error or irregularity during the award process may file a complaint.

26. Data Protection

Tender's commercial data will be processed solely for the purposes of the tender evaluation and for management and monitoring of the contract by the REC Caucasus without prejudice to possible transmission to the bodies in charge of monitoring or inspection tasks in the application of Georgian law.

Certain of this data may constitute protected "personal data" as that term is defined in the Georgia's Law on Personal Data Protection of 28 December of 2011. Transmission of personal data may occur to FAO, solely for the purpose of implementing relevant Project and monitoring of consequent tender procedures.

B. DRAFT CONTRACT AND SPECIAL CONDITIONS, INCLUDING ANNEXES

DRAFT CONTRACT

SUPPLY CONTRACT

No. 027RECC/G/FAO-[BL-5650-03]-No.01-2022

Regional Environmental Centre for the Caucasus (REC Caucasus)

Legal status/title: *Non-Entrepreneurial/Non-Commercial Legal Entity, resident of Georgia*

Official identification number: 204943552

Full working address:

Badri Shoshitaishvili Str. 13

0193 Tbilisi. Georgia

Tel.: + (995 32) 2 250 775

Email: office@rec-caucasus.org

www.rec-caucasus.org

("The Contracting Organization"),

of the one part,

and

<Full official name of Contractor>

Legal status/title:

Official identification number:

Full official or working address:

VAT number:

("the Contractor")

of the other part,

have agreed as follows:

Contract Title:

Supply of Fencing Materials and Installation of Fencing Materials (Installation of Fence) in Gurjaani, Dmanisi and Kazbegi Municipalities of Georgia

Identification No. 027RECC/G/FAO-[BL-5650-03]-No.01-2022

Article 1. Subject

- 1.1.** The subject of the contract shall be the supply, manufacture, installation and warranty period of the following supplies:

Supply and Installation of Fencing Materials

in **2 (two)** Lots as follows:

Lot 1 – Supply of Fencing Materials

to be delivered to the following 3 Pilot Pasture Sites in Gurjaani, Dmanisi and Kazbegi Municipalities and addressed to REC Caucasus:

- ***Pilot Pasture Site N1 – “GANAKHLEBA” in Dmanisi Municipality***
- ***Pilot Pasture Site N2 – “NANIANI” in Gurjaani Municipality***
 - ☐ **Pilot Pasture Site N2a**
 - ☐ **Pilot Pasture Site N2b**
- ***Pilot Pasture Site N3 – “SNO” in Kazbegi Municipality***
 - ☐ **Pilot Pasture Site N3a**
 - ☐ **Pilot Pasture Site N3b**

Detailed Technical Data and Specification for the Supply and Quantities to be delivered see in Annex II (*Technical Specification*) and Annex IV (*Budget Breakdown*) – both attached to this Contract.

Lot 2 – Installation Fencing Materials (Installation of Fence)

to be installed in the following 3 Pilot Pasture Sites in Gurjaani, Dmanisi and Kazbegi Municipalities and addressed to REC Caucasus:

- ***Pilot Pasture Site N1 – “GANAKHLEBA” in Dmanisi Municipality***
- ***Pilot Pasture Site N2 – “NANIANI” in Gurjaani Municipality***
 - ☐ **Pilot Pasture Site N2a**
 - ☐ **Pilot Pasture Site N2b**

- **Pilot Pasture Site N3 – “SNO” in Kazbegi Municipality**
 - ❑ Pilot Pasture Site N3a
 - ❑ Pilot Pasture Site N3b

Estimated Fencing Perimeter and Outline of Fence Design and Dimensions for the 3 Pilot Pasture Sites in Gurjaani, Dmanisi and Kazbegi Municipalities are attached to this Contract - see in Annex VI.

- 1.2. The place of acceptance of the supplies of Fencing Materials under Lot 1 and installation of fencing materials under Lot 2 shall be 3 Pilot Pasture Sites located in Gurjaani, Dmanisi and Kazbegi Municipalities.
- 1.3. After implementation of task under Lot 2, all **remaining (unused/uninstalled) fencing materials** shall be delivered to the following locations in Gurjaani, Dmanisi and Kazbegi Municipalities and addressed to REC Caucasus:
 - **Village Ganakhleba, Dmanisi Municipality** - for remaining (unused/uninstalled) fencing materials after installation of fence at *Pilot Pasture Site N1 “GANAKHLEBA”* – exact address of delivery to be provided by the Contracting Authority in due time before provisional acceptance
 - **Village Naniani, Gurjaani Municipality** - for remaining (unused/uninstalled) fencing materials after installation of fence at *Pilot Pasture Site N2 “NANIANI”* – exact address of delivery to be provided by the Contracting Authority in due time before provisional acceptance
 - **Village Sno, Kazbegi Municipality** - for remaining (unused/uninstalled) fencing materials after installation of fence at *Pilot Pasture Site N3 “SNO”* – exact address of delivery to be provided by the Contracting Authority in due time before provisional acceptance
- 1.4. The **implementation period of tasks** shall run from the date of signature of the contract by both parties to the date for provisional acceptance:

For Lot 1: within 5 months from the day after the last signature of the contract until the provisional acceptance, in accordance with Special and General Conditions of this Contract;

For Lot 2: within 7 months from the day after the last signature of the contract until the provisional acceptance, in accordance with Special and General Conditions of this Contract.
- 1.5. The Contractor shall comply strictly with the terms of the Special Conditions and the Technical Annexes II and III of this Contract.
- 1.6. The rules of origin of the goods are defined in Article 10 of the Special Conditions. A certificate of origin for the goods must be provided by the Contractor at the latest when it requests provisional acceptance of the supplies. Failure to comply with this condition may result in the termination of the contract.

Article 2. Duration of the Contract

This contract shall commence on the **first day after the last signature of the contract**, and shall **expire within 12 months from the day after the last signature of the contract**.

Article 3. Contract Price

- 3.1. The contract price shall be that shown on the financial offer (specimen in Annex IV). The total maximum contract price shall be (.....) GEL (including VAT and if imported with VAT, customs, import and other taxes and fees).

3.2. Payments shall be made in accordance with the Special Conditions (Article 26).

Article 4. Order of precedence of contract documents

4.1. The contract is made up of the following documents, in order of precedence:

- the Contract Agreement
- the Special Conditions
- the General Conditions (Annex I)
- the Technical Specifications (Annex II)
including clarifications before the deadline for submission of tenders and minutes from the information/clarification meeting, if any;
- the Technical Offer (Annex III)
- the Budget Breakdown (Annex IV)
- the Specified forms and other relevant documents (Annex V)
- the Location, Estimated Fencing Perimeter and Outline of Fence Design and Dimensions for the 3 Pilot Pasture Sites in Gurjaani, Dmanisi and Kazbegi Municipalities (Annex VI)
- Certificate of Provisional/Final Acceptance (Provisional/Final Delivery-Acceptance Act) template (Annex VII)

4.2. The various documents making up the contract shall be deemed to be mutually explanatory; in cases of ambiguity or divergence, they shall prevail in the order in which they appear above.

Article 5. Originals

Done in English in two originals, one original being for the Contracting Organization, and one original being for the Contractor.

| For the Contractor | For the Contracting Organization |
|--------------------|---|
| | Regional Environmental Centre for the Caucasus (REC Caucasus) |
| Name: | Name: |
| Title: | Title: Director |
| Signature: | Signature: |
| Date: | Date: |
| stamp | stamp |

SPECIAL CONDITIONS

INTEGRAL PART OF THE SUPPLY CONTRACT No. 027RECC/G/FAO-[BL-5650-03]-No.01-2022

CONTENTS

These conditions amplify and supplement, if necessary, the General Conditions governing the contract. Unless the Special Conditions provide otherwise, those General Conditions remain fully applicable. The numbering of the Articles of the Special Conditions is not consecutive but follows the numbering of the Articles of the General Conditions.

Article 1 *as per corresponding Article of the General Conditions*

Article 2 Law applicable

2.1 The law of Georgia shall apply in all matters not covered by the provisions of the contract.

2.2 The language used shall be English.

Article 3 *as per corresponding Article of the General Conditions*

Article 4 Contract administration and communications

4.1. Contract administration

For the purposes of this Contract, the Leading Organization designates **Ms.** (hereinafter referred also as "Project Coordinator") who will be the Leading Organization's Authorized Representative for administration/execution of this contract.

The Authorized Representative will act in the name of and on behalf of the Leading Organization and will be responsible for overall supervision and management of this contract from the side of the Leading Organization, for acceptance and approval of the payment requests and invoices (*following by signatures of acceptance certificates/delivery-acceptance acts as per Article 31 of this contract*), delivery-installation schedules and other documents as per General Conditions of this contract.

4.2. Communications

Any written communication relating to this Contract between the Contracting Organization, on the one hand, and the Contractor on the other must state the Contract title and identification number, and must be sent by post, e-mail or by hand to:

Ms/Mr. Project Coordinator (Authorized Representative)
.....@rec-caucasus.org

Ms/Mr. Project Finance Assistant
.....@rec-caucasus.org

with cc to:

Ms/Mr. Project Administrative Assistant
.....@rec-caucasus.org

Article 5 *as per corresponding Article of the General Conditions*

Article 6 *as per corresponding Article of the General Conditions*

Article 7 Supply of documents

The Contractor shall supply with the supplies that are the subject of the contract, all necessary operation manuals, users' guide, including routine operation and maintenance instructions in Georgian and/or English languages - if applicable.

Article 8 Assistance with local regulations

Not applicable.

Article 9 The Contractor's obligations with regard to visibility actions

Not applicable.

Article 10 Origin

10.1 All goods purchased must originate in:

➤ Georgia,

or

➤ in a country or territory of the regions covered and/or authorised by the Georgian state and by the specific instruments applicable to the *Operational Partners Agreement (OPA)*² under which the contract is financed.

For these purposes, "origin" means the place where the goods are mined, grown, produced or manufactured and/or from which services are provided. The origin of the goods must be determined according to the Georgia's customs law or to the relevant international agreement applicable.

10.2 No derogation is granted.

Article 11 Performance guarantee

Not Applicable

² *Operational Partners Agreement (OPA)* signed in May, 2020 between the Regional Environmental Centre of for the Caucasus and the United Nations Food and Agriculture Organization (FAO) for implementation of the Grant Project "*Achieving Land Degradation Neutrality Targets of Georgia through Restoration and Sustainable Management of Degraded Pasturelands*".

Article 12 Insurance

The Contractor shall bear all risks including insurances and transportation which shall be borne by the Contractor until the provisional acceptance.

Article 13 Programme of implementation of the tasks (timetable)

The supplies must be **delivered and installed** ready for acceptance at the relevant locations detailed in **Annex VI** (*Location, Estimated Fencing Perimeter and Outline of Fence Design and Dimensions for the 3 Pilot Pasture Sites in Gurjaani, Dmanisi and Kazbegi Municipalities*) according to detailed **distribution and installation schedules** provided to the contractor by the Contracting Organization during the timetable below:

The delivery of supplies must be completed within **5 calendar months** starting from the date of last signature of the contract **and applies for Lot 1, for Lot 2 applies 7 calendar months**.

The Contractor shall be responsible for unpacking of the goods at the locations specified in **Annex VI** (*Location, Estimated Fencing Perimeter and Outline of Fence Design and Dimensions for the 3 Pilot Pasture Sites in Gurjaani, Dmanisi and Kazbegi Municipalities*) according to the distribution and installation schedules and ready for inspection within 5 calendar days following completion of the **delivery and installation** of the supplies.

Inspection shall be completed within 5 calendar days after the supplies being ready for inspection.

Provisional Acceptance Documentation shall take place within 15 calendar days following completion of the inspection.

Contracting Organization will issue the Provisional Acceptance within 30 calendar days from the date of receiving the provisional acceptance request, with supporting documents, from the contractor.

The warranty period will commence immediately on issue of the provisional acceptance certificate (*provisional Delivery-Acceptance Act*) by the Contracting Organization.

Final Acceptance shall take place upon expiry of the warranty period.

Article 14 Contractor's drawings

No drawings are required.

Article 15 Tender Prices

Without prejudice to Article 15 of the General Conditions, the supplies, as itemised, and the overall prices include the full cost of packing, insurance, transportation and delivery of the supplies to the specified destinations, including any copy rights, or patent rights or licence, warranty materials and user guides and manuals.

Article 17 Patents and licences

In addition to the provisions of Article 17 of the General Conditions the Contractor shall indemnify the Contracting Organization against any claim resulting from the use, as specified in the Contract, of patents, licences, drawings, models or branded trade marks. The relevant costs must be included in the prices.

No derogation has been granted.

Article 18 Commencement order

The commencement date for performance of the contract shall be the date on which the last contract is signed by both parties.

Article 19 Period of Implementation of the tasks

Supplies (Lot 1) and Installation (Lot 2) must be delivered within **5 and 7 calendar months** of the signature of the last Contract by both Parties. The **3 (three) monts warranty period** will commence on Provisional Acceptance of the supplies.

Article 20 *as per corresponding Article of the General Conditions*

Article 21 *as per corresponding Article of the General Conditions*

Article 22 Variations

The Contracting Organization reserves the right, to vary the quantities specified for Lot No. 1 at the time of contracting and during the validity of the contract within a range of +/- 100%. The total value of the supplies may not rise or fall as a result of the variation in the quantities by more than 25% of the tender price. The unit prices used in the tender shall be applicable to the quantities procured under the variation.

Article 23 *as per corresponding Article of the General Conditions*

Article 24 Quality of supplies

In addition to the general provisions of this article in the General Conditions, the supplies purchased under this Contract shall conform to the standards mentioned in the Technical Specifications.

Article 25 Inspection and testing

The inspection in accordance with Article 25 of the General Conditions and prior to the provisional acceptance will take place at the relevant sites detailed in the distribution and installation schedules.

During the inspection the quantities and physical condition of the supplies and the inclusion of relevant documentation, and if applicable manuals and guides shall be verified.

The Contractor will advise the Contracting Organization of the expected delivery and intallation schedules no later than one month before the expected delivery date.

Article 26 Methods of payment

26.1 Payments shall be made in Georgian National Currency - Lari (GEL).

Payments shall be made by the Contracting Organization.

In order to obtain payments, the Contractor must forward to the Contracting Organization referred to in paragraph 26.1 above:

For Lot 1 and Lot 2

a)

For the **60% pre-financing** a payment request(s).

b)

For the **30%** payment, the invoice(s) following *provisional acceptance* of the supplies.

c)

For the **10%** balance, the invoice(s) following *final acceptance* of the supplies.

26.2 Pre-financing payment request(s) and invoice(s) referred to in paragraph 26.1 above could be addressed to the Contracting Organization for all pilot pasture sites together, as well separately for individual sites or a group of sites – with view of detailed distribution and installation schedules provided to the contractor by the Contracting Organization during implementation of tasks.

26.3 **Price revision**

The price referred to in Article 3.1 of the contract shall be the sole remuneration owed by the Contracting Organization to the Contractor under the contract. It shall be firm and shall not be subject to revision.

Article 27 *as per corresponding Article of the General Conditions*

Article 28 *as per corresponding Article of the General Conditions*

Article 29 Delivery

29.1 The Contractor shall bear all risks relating to the goods until provisional acceptance at destination. The supplies shall be packaged so as to prevent their damage or deterioration in transit to their destination.

29.2 The Contractor is responsible for ensuring that the packing is appropriate and adequate to protect the supplies.

29.3 The packaging shall become the property of the recipient subject to respect for the environment.

29.4 Delivery of the supplies shall be accompanied by a delivery note showing the contract reference number 027RECC/G/FAO-[BL-5650-03]-No.01-2022

The supply shall include all necessary documents as specified herein, in the specified language, such as user guides, operating and maintenance manuals; material, conformity, test and origin certificates, packing lists and others as necessary and appropriate.

All packages must be clearly marked as follows:

Publication reference: 027RECC/G/FAO-[BL-5650-03]-No.01-2022

Supply contract:

Lot number:

Case number of

Net weight:

Gross weight:

Dimensions of case/package:

Supply location (*address*):

The destination of the consignment, crate identification, etc. shall be clearly indicated with indelible paint on the external surface of the adjacent faces of each case or package.

Each crate and packing case shall be clearly marked

“Handle with Care”

“Right Side Up”

with the appropriate international symbols relating to transportation, loading, unloading, etc. on all sides if applicable.

Where crates and packing cases include waterproof barriers, packages shall be clearly marked in indelible red paint on all faces

“DO NOT OPEN”

“WATERPROOF BARRIER”

All crates and packing cases that exceed three (3) tons in weight and one (1) meter in height must clearly show, in indelible paint, the centre of gravity position, marked by “0” and the block letters “CG”

Article 30 *as per corresponding Article of the General Conditions*

Article 31 Provisional and final acceptance

31.1 The Certificate of Provisional/Final Acceptance (Provisional/Final Delivery-Acceptance Act) must be issued using the template in Annex VII of this contract.

31.2 The supplies shall be taken over by the Contracting Organization when they have been delivered in accordance with the contract, have satisfactorily passed the required tests if applicable, or have been commissioned as the case may be, and a certificate of provisional/final acceptance has been issued or is deemed to have been issued.

The installation (fence) shall be taken over by the Contracting Organization when they have been delivered and installed in accordance with the contract, have satisfactorily passed the required tests if applicable, or have been commissioned as the case may be, and a certificate of provisional acceptance has been issued or is deemed to have been issued.

31.3 Provisional Acceptance will be certified by the issue of a receipts verifying that the supplies have been received by the receiver (REC Caucasus) in an undamaged condition at the respective specified delivery destination.

Provisional Acceptance will be certified by the issue of a receipts verifying that the installation (fence) have been installed according to technical specification in proper condition at the respective specified destination (site).

Provisional Acceptance could be certified in combined manner – for both delivery and installation and, if applicable, also for delivery of remaining (unused/uninstalled) fencing materials.

31.4 **Definitions:**

31.4.1. The **Contracting Organization** means the **REC Caucasus**.

For the supplies - the **Authorized Acceptance Official** means the official designated from the Contracting Organization to issue the Provisional Acceptance.

For the supplies - The **Provisional/Final Acceptance Inspection** means and includes the prescribed verifications and tests organized by the by the receiver (REC Caucasus) on the supplies delivered at the points of destinations (sites).

For the installation (fencing) - the **Authorized Acceptance Official** means the officials designated from the Contracting Organization to issue the Provisional Acceptance.

For the installation (fencing) - The **Provisional/Final Acceptance Inspection** means and includes the prescribed verifications and tests organized by the by the receiver (REC Caucasus) on the installation (fence) installed at the points of destinations (sites).

- 31.4.2. For the purposes to certify (*to sign*) Provisional/Final Acceptance (*Provisional/Final Delivery-Acceptance Acts*), **Contracting Organization (REC Caucasus)** designates the following **Authorized Acceptance Official** as its representative:

Ms/Mr. REC Caucasus Authorized Acceptance Official

Project Field Organizer (Controlled Grazing and Sustainable Pasture Pilot Program Management Expert/ REC Caucasus Project Team Member)

Certification (*signature*) of Provisional/Final Acceptance (*Provisional/Final Delivery-Acceptance Acts*) by the Authorized Acceptance Official **shall be preceded and based on verification** by the Provisional/Final Acceptance Inspection .

- 31.4.3. For the purposes to verify delivery of Lot 1 and Lot 2, the **Contracting Organization (REC Caucasus)** creates **Provisional/Final Acceptance Inspection Team** which may include, but not limited to:

- **Contracting Organization's (REC Caucasus) Authorized Acceptance Official** - Project Field Organizer (Controlled Grazing and Sustainable Pasture Pilot Program Management Expert/ REC Caucasus Project Team Member)
- **Contracting Organization's (REC Caucasus)** Local Project Organizer, Dmanisi (Local Project Expert based in Dmanisi Municipality / REC Caucasus Project Core Team Member)
- **Contracting Organization's (REC Caucasus)** Local Project Organizer, Gurjaani (Local Project Expert based in Gurjaani Municipality / REC Caucasus Project Core Team Member)
- **Contracting Organization's (REC Caucasus)** Local Project Organizer, Kazbegi (Local Project Expert based in Kazbegi Municipality / REC Caucasus Project Core Team Member)
- Invited independent expert/s or persons representing other entities rather than Contracting Organization's (REC Caucasus)

31.5 Responsibilities:

The **Contractor** shall inform the **Contracting Organization (REC Caucasus)** that supplies/installed fences are ready for Provisional Acceptance.

The receiver REC Caucasus, is conducting the Provisional Acceptance Inspection including Provisional Acceptance Procedure within a maximum of 30 days as set out in Article 13 of the Special Conditions and Clause 31.4 of the General Conditions.

--after delivery of the supplies/installation of fence to be ready for inspection within 5 calendar days

---Inspection to be done within 5 calendar days from the date of being ready for inspection

---Provisional Acceptance Documentation to be completed within 15 calendar days following completion of inspection.

After receiving a document on **Provisional Acceptance Inspection**, and prior endorsement of **Project Coordinator (Authorized Representative)**, the **Authorized Acceptance Official** shall issue in the name of the Contracting Organization within 5 calendar days the Provisional Acceptance Certificate to the Contractor or reject the Provisional Acceptance.

However and in any case it has to be noted the whole process of the Provisional Acceptance Procedure shall be completed within a period of 30 days as mentioned in Clause 31.4 of the General Conditions.

If the **Contracting Organization** fails either to issue the Certificate of Provisional Acceptance or to reject the supplies within the period of 30 days, the Contracting Organization shall be deemed to have issued the Certificate on the last day of that period, except where the certificate of Provisional Acceptance is deemed to constitute a certificate of final acceptance.

The duty of care passes from the contractor to the **Contracting Organization** as soon as the items have been accepted by the **Contracting Organization** upon issuance of the Provisional Acceptance Certificate.

31.6 Documentation:

Provisional Acceptance Inspection team designated to conduct the Provisional/Final Acceptance Inspection will be issued with the following documentation:

to be provided by the Contractor:

- a copy of the contractors contract
- the contractors tender with technical annexes and supporting technical brochures for each item being supplied
- the bill of quantity of items to be supplied to each delivery point
- the Certificate of Origin for each item delivered
- a copy of the consignment packing list.
- a copy of the Insurance Document

31.7 In case of partial delivery/installation of fence, the Contracting Organization reserves the right to give partial provisional acceptance.

31.8.1 A separate Provisional Acceptance is to be completed for each type of items and and for each fenced site inspected.

31.8.2 (not applicable)

31.8.3 (not applicable)

31.9 Items which shall be delivered without installation will be checked by the recipient at the point of delivery (e.g. functioning and accessories).

31.10 Upon provisional acceptance of the supplies/installation of fence, the Contractor shall dismantle and remove temporary structures and materials no longer required for use in connection with the implementation of the contract. **He shall also remove any litter or obstruction and redress any change in the condition of the place of acceptance as required by the contract.**

31.11 Provisions are also to be made by the contractor for company officials to be present during delivery, i.e. during opening, unloading, transporting and closing of the packages after inspection and during inspection acceptance.

Article 32 Warranty

The Contractor shall warrant that the supplies are new, unused, of the most recent models and incorporate all recent improvements in design and materials. The Contractor shall further warrant that none of the supplies have any defect arising from design, materials or workmanship. This warranty shall remain valid for a maximum of 3 calendar months after provisional acceptance.

The Contractor shall warrant that none of the fence installations have any defect arising from design, materials or workmanship. This warranty shall remain valid for a maximum of 3 calendar months after provisional acceptance.

Validity of warranty period shall not exceed duration period of this contract.

Article 33 After-sales service

Not applicable

Article 34 *as per corresponding Article of the General Conditions*

Article 39 *as per corresponding Article of the General Conditions*

Article 40 Amicable settlement of disputes

Any disputes arising out of or relating to this contract which cannot be settled otherwise shall be referred to the exclusive jurisdiction of Georgia.

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ANNEX I: GENERAL CONDITIONS FOR SUPPLY CONTRACTS

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Preamble

The Regional Environmental Centre for the Caucasus (RECC) as operational partner is involved in implementation of the Global Environmental Facility (GEF) financed project Achieving Land Degradation Neutrality Targets of Georgia through Restoration and Sustainable Management of Degraded Pasturelands”.

GEF Implementing Agency for the Project is the Food and Agriculture Organization of the United Nations (FAO).

With the above regard, in May 2020 the RECC and FAO signed Operational Partners Agreement (OPA) for implementation of the Grant Project “Achieving Land Degradation Neutrality Targets of Georgia through Restoration and Sustainable Management of Degraded Pasturelands”. This Agreement governs the implementation by the RECC of the relevant parts of the Project including all contracts that are financed under OPA.

The present General Conditions for Supply Contracts set out the administrative, financial, legal and technical clauses governing the execution of all supply contracts in a context of the OPA (*see also with this regard Annex 1 and Annex 2 of the General Conditions*).

Article 1 - Definitions

- 1.1. The headings and titles in these general conditions shall not be taken as part thereof or be taken into consideration in the interpretation of the contract.
- 1.2. Where the context so permits, words in the singular shall be deemed to include the plural and vice versa, and words in the masculine shall be deemed to include the feminine and vice versa.
- 1.3. Words designating persons or parties shall include firms and companies and any organisation having legal capacity.
- 1.4. The definitions of the terms used throughout these general conditions, if not otherwise provided, have the following meanings:

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| Administrative order | Any instruction or order issued in writing by the project coordinator, or authorized acceptance official to the contractor regarding the execution of the contract. |
| Amendment | A document modifying the terms and conditions of a contract. |
| Applicant | A natural person or an entity with or without legal personality who has submitted an application in a grant award procedure or in a contest for prizes. |
| Application documents | A tender, a request to participate, a grant application or an application in a contest for prizes. |
| Appropriate media | Publication in the official web-page of the REC Caucasus. |

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| Authorized acceptance official | The natural person responsible to certify provisional/final acceptance (to sign provisional/final delivery-acceptance act) on behalf of the contracting organization. |
| Award procedure | A procurement procedure. |
| Best value for money | See ‘most economically advantageous offer’. |
| Budget breakdown | The schedule which breaks down the contract price (value) according to the different items or services, stating out fee rate, unit prices and lump sums for each item provided. |
| Call for proposals | A public invitation by the contracting organization, addressed to clearly identified categories of applicants. |
| Candidate | An economic operator that has sought an invitation or has been invited to take part in a procedure. |
| Clearance | The amount of expenditure incurred in accordance with the contract which the contracting organization, after examination of the expenditure verification report or the supporting documents, accepts for deduction from the total sum of pre-financing under the contract. |
| Commercial warranty | The warranty the manufacturer provides for a defined period guaranteeing that the supply will be free from structural defects due to substandard material or workmanship, under conditions of normal commercial use and service. The commercial warranty should not be confused with - and might go beyond - the warranty period of the supply contract. |
| Consortium | A grouping of eligible natural and legal persons or public entities which submits a tender or an application, under a tender procedure or in response to a call for proposals. It may be a permanent, legally-established grouping or a grouping which has been constituted informally for a specific tender procedure or call for proposals. All members of a consortium (i.e. the leader and all other partners) are jointly and severally liable to the contracting organization. |
| Contract | An agreement, between two or more persons or entities. It can take either the form of procurement contract - with specific terms and an undertaking to provide supplies in return for a financial consideration. |
| Contract budget | A summary of the costs of performing the contract. The total of these costs is the contract contract price. |
| Contract price | See ‘Contract budget’. |
| Contract value | See ‘Contract budget’. |
| Contracting Organization | REC Caucasus. |
| Contractor | Any legal person or consortium of such persons and/or bodies selected at the end of the procedure for the award of the contract. The successful tenderer, once parties have signed the contract. |

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| Crisis | Situations of immediate or imminent danger threatening to escalate into an armed conflict or to destabilize a country or its neighborhood, or situations caused by natural disaster, manmade crisis such as wars and other conflicts or extraordinary circumstances having comparable effects related inter alia to climate change, environmental degradation, privation of access to energy and natural resources or extreme poverty. |
| Day | Calendar day unless otherwise specified. |
| Direct award | The award of a procurement contract without organising a call for proposals/tenders. A direct award is only appropriate under certain special circumstances and must always be the subject of an evaluation report. |
| Drawings | Drawings provided by the contracting organization and/or the supervisor, and/or drawings provided by the contractor and approved by the supervisor, for the provisions of the supplies (SUP). |
| Selection committee | A committee made up of a non-voting chairperson, a non-voting secretary and an odd number (at least three) of voting members (the evaluators) having the technical and administrative expertise necessary to give an informed opinion on tenders or grant applications. |
| Execution period | The period from contract signature until final payment. |
| Expert | A natural person employed or otherwise legally contracted by an eligible contractor, or where applicable subcontractor, engaged to provide the expertise required for the proper performance of a contract. |
| Explanatory note | A summary at the beginning of a contract dossier or addendum dossier explaining to the reader the purpose and essential features of the proposed contract or addendum. |
| FAO | United Nations Food and Agriculture Organization. |
| Final acceptance certificate | Certificate(s) issued by the Authorized Acceptance Official to the contractor at the end of warranty period stating that the contractor has completed its obligations. |
| Financial offer | The part of a tender which contains all the financial elements of the tender, including its summary budget and any detailed price breakdown or cash-flow forecast required by the tender dossier. |
| Foreign currency | Any currency permissible under the applicable provisions and regulations other than the GEL, which has been indicated in the tender. |
| General conditions | The general contractual provisions setting out the administrative, financial, legal and technical clauses governing the execution of all contracts of a particular type. |
| General damages | Damages which have not been agreed beforehand by the parties and awarded by a court or arbitration tribunal, or agreed between the parties, as compensation payable to an injured party for a breach of the contract by the other party. |
| Goods | A tangible physical product where the property of what is purchased is transferred from the contractor to the contracting organization (in the case of procurement contracts) or to the designated local partners of the beneficiary and/or final recipients of the action (in the case of grant contracts). |

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| Grave professional misconduct | A grave professional misconduct refers to all wrongful conduct which denotes a wrongful intent or gross negligence. It encompasses the violation of applicable laws or regulations or ethical standards of the profession to which the contractor belongs, and any wrongful conduct which has an impact on the professional credibility of the contractor. |
| Hybrid contract | A contract between the contracting organization and a service provider, supplier or construction firm covering two or more of the following: works, supplies and services. |
| Implementation period | The period from the signature, or alternative date if specified in the special conditions, until the provisional acceptance for the last lot has been issued. |
| In writing | This includes any hand-written, typed or printed communication, including telex, cable, e-mail and fax transmissions. |
| Invitation to tender | Letter sent to shortlisted candidates in a restricted procedure or simplified procedure inviting them to submit a tender. |
| Irregular | A tender which does not comply with the minimum requirements specified in the procurement documents or with the requirements for submission, or a tender which is rejected because of misrepresented/omitted information or conflict of interest, or an abnormally low tender. |
| Liquidated damages | Liquidated damages are damages which have been agreed beforehand by the parties, and recorded in the contract, as being a genuine estimate of the loss suffered by the injured party (e.g. compensation payable by the contractor to the contracting organization for failure to complete the contract or part of the contract within the contractual periods / compensation payable by the contracting organization to the contractor for failure to pay within the contractual periods shall be calculated in accordance with the method(s) outlined in the general conditions). |
| Mixed contract | See ‘Hybrid contract’. |
| Month | Calendar month. |
| Most economically advantageous tender | The tender proposal judged best in terms of the criteria laid down for the contract, e.g. quality, technical properties, aesthetic and functional qualities, after-sales service and technical assistance in relation to the price offered. These criteria must be announced in the tender dossier. |
| National currency | National currency of Georgia – Lari (GEL). |
| OPA | <i>Operational Partners Agreement (OPA)</i> signed in May, 2020 between the Regional Environmental Centre of for the Caucasus and the United Nations Food and Agriculture Organization (FAO) for implementation of the Grant Project “Achieving Land Degradation Neutrality Targets of Georgia through Restoration and Sustainable Management of Degraded Pasturelands”. A framework contract that is concluded between FAO and contracting organization for the purpose of laying down the essential terms governing a series of specific sub-contracts to be awarded during a given period, in particular as regards the duration, subject, prices, conditions of performance and the quantities envisaged. |
| Open procedure | Calls for tenders are open where all interested economic operators may submit a tender. Calls for proposals are open when the concept note and the full proposal are submitted at the same time. |

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| Participant | A candidate or tenderer in a procurement procedure, an applicant in a grant award procedure, an expert in a procedure for selection of experts, an applicant in a context for prizes or an entity or person participating in a procedure for implementing Union funds. |
| Period | A period begins the day after the act or event chosen as its starting point. Where the last day of a period is not a working day, the period expires at the end of the next working day. |
| Procurement documents | Any document produced or referred to by the contracting organization to describe or determine elements of the procurement procedure, including the publicity measures, the invitation to tender, the tender specifications, including the technical specifications and the relevant criteria, or the descriptive documents in case of a competitive dialogue and the draft contract. |
| Procurement procedure | The procedure followed by a contracting organization to identify, and conclude a contract with, a suitable contractor to provide defined goods, works or services. |
| Project | <p>The project in relation to which the supplies are to be provided under the contract, and the project in relation to which the grant contract is awarded – GEF financed Project “Achieving Land Degradation Neutrality Targets of Georgia through Restoration and Sustainable Management of Degraded Pasturelands” (<i>GEF Project ID. : 10151, Focal Area: Land Degradation, GEF Period: GEF-7, Approved for Implementation: Feb-2020</i>).</p> <p>https://www.thegef.org/project/achieving-land-degradation-neutrality-targets-georgia-through-restoration-and-sustainable</p> |
| Project coordinator | Authorized representative of the contracting organization – the person responsible for administration and execution of supply contract on behalf of the contracting organization. |
| Special conditions | The special conditions laid down by the contracting organization as an integral part of the tender or call for proposals dossier, including amendments to the general conditions, clauses specific to the contract and technical specifications. |
| Staff | Any personnel, employee or expert working for a contractor regardless of their contractual link. |
| Subcontractor | An economic operator that is proposed by a candidate or tenderer or contractor to perform part of a contract or by a beneficiary to perform part of the tasks co-financed by the grant. |
| Successful tenderer | The tenderer selected at the end of a tender procedure for the award of a contract. |
| Supplies | All goods the contractor are required to supply to the contracting organization and where the property of what is purchased is transferred from the contractor to the contracting organization (in the case of procurement contracts). |
| Supply contract | Supply contracts cover the purchase, leasing, rental or hire purchase, with or without option to buy, of products. A contract for the supply of products and, incidentally, for siting and installation shall be considered a supply contract. |

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| Taxes | Include indirect taxes such as value added taxes, customs and import duties, other fiscal charges and duties. |
| Technical offer | The part of a tender which contains all non-financial elements of the tender, i.e. all elements other than the financial offer which are required by the tender dossier. The technical offer must not contain any financial indications. |
| Technical specifications | The document drawn up by the contracting organization setting out its requirements and/or objectives in respect of the provision of supplies or works, specifying, where relevant, the methods and resources to be used and/or results to be achieved. |
| Tender | A written or formal offer to supply goods, perform services or execute works for an agreed price. |
| Tender dossier | The dossier which contains all the documents needed to prepare and submit a tender. |
| Tender price | The sum stated by the tenderer in its tender for carrying out the contract. |
| Tender procedure | The overall process of putting a contract out for tender, starting with the publication of a procurement notice and ending with the award of the tendered contract. |
| Tenderer | A natural or legal person or consortium thereof submitting a tender with a view to concluding a contract. |
| Unacceptable | A tender which does not comply with the maximum available budget or with the minimum quality levels. |
| Warranty obligations | The warranty of the contractor that the supplies are new, unused, without defects, of the most recent models and incorporate all recent improvements in design and materials. This warranty must remain valid for a maximum of 1 year after provisional acceptance. See Article 32 of the general conditions. |
| Written communications | Certificates, notices, orders and instructions issued in writing under the contract. |

Article 2 - Language of the contract

- 2.1. The language of the contract and of all communications between the contractor, and contracting organization or their authorized representatives shall be as stated in the special conditions.

Article 3 - Order of precedence of contract documents

- 3.1. The order of precedence of the contract documents shall be stated in the contract.

Article 4 - Communications

- 4.1. Any written communication relating to this contract between the contracting organization and the contractor shall state the contract title and identification number, and shall be sent by post, cable, telex, facsimile transmission, e-mail or personal delivery, to the appropriate addresses designated by the parties for that purpose in the special conditions.

- 4.2. If the sender requires evidence of receipt, it shall state such requirement in its communication and shall demand such evidence of receipt whenever there is a for the receipt of the communication. In any event, the sender shall take all the necessary measures to ensure timely receipt of its communication.
- 4.3. Wherever the contract provides for the giving or issue of any notice, consent, approval, certificate or decision, unless otherwise specified such notice, consent, approval, certificate or decision shall be in writing and the words 'notify', 'consent', 'certify', 'approve' or 'decide' shall be construed accordingly. Any such consent, approval, certificate or decision shall not unreasonably be withheld or delayed.
- 4.4. Any oral instructions or orders shall be confirmed in writing.

Article 5 - Assignment

Not applicable.

Article 6 - Subcontracting

- 6.1. A subcontract shall be valid only if it is a written agreement by which the contractor entrusts performance of a part of the contract to a third party.

- 6.2. The contractor shall request to the contracting organization the authorisation to subcontract.

The request must indicate the elements of the contract to be subcontracted and the identity of the subcontractors. The contracting organization shall notify the contractor of its decision within 30 days of receipt of the request, stating reasons should it withhold such authorisation.

- 6.3. Subcontractors shall satisfy the eligibility criteria applicable for the award of the contract.

They shall not fall under the exclusion criteria described in the tender dossier and the contractor shall ensure that they are not subject to national public-law restrictive measures – e.g., under the Law of Georgia on Enforcement Proceedings of 15 July 2008.

(<https://www.matsne.gov.ge/en/document/view/18442?publication=99>).

- 6.4. No subcontract creates contractual relations between any subcontractor and the contracting organization.

- 6.5. The contractor shall be responsible for the acts, defaults and negligence of its subcontractors and their agents or employees, as if they were the acts, defaults or negligence of the contractor, its agents or employees. The approval by the contracting organization of the subcontracting of any part of the contract or of the subcontractor to perform any part of the tasks shall not relieve the contractor of any of its obligations under the contract.

- 6.6. If a subcontractor has undertaken any continuing obligation extending for a period exceeding that of the warranty period under the contract towards the contractor in respect of the supplies provided by the subcontractor, the contractor must, at any time after the expiration of the warranty period, transfer immediately

to the contracting organization, at the contracting organization's request and cost, the benefit of such obligation for the unexpired duration thereof.

- 6.7. If the contractor enters into a subcontract without approval, the contracting organization may, without formal notice thereof, apply as of right the sanction for breach of contract provided for in Articles 35 and 36.
- 6.8. If a subcontractor is found by the contracting organization or the project coordinator to be incompetent in discharging its duties, the contracting organization or the project coordinator may request the contractor forthwith, either to provide a subcontractor with qualifications and experience acceptable to the contracting organization as a replacement, or to resume the implementation of the tasks itself.

OBLIGATIONS OF THE CONTRACTING ORGANIZATION

Article 7 - Supply of documents

- 7.1. Save where otherwise provided in the special conditions, within 30 days of the signing of the contract, the contracting organization shall provide the contractor, free of charge, with a copy of the drawings (*if applicable*) prepared for the implementation of the tasks and a copy of the specifications and other contract documents. The contractor may purchase additional copies of these drawings, specifications and other documents, in so far as they are available. Upon final acceptance, the contractor shall return to the contracting organization all drawings, specifications and other contract documents.
- 7.2. The contracting organization shall co-operate with the contractor to provide information that the latter may reasonably request in order to perform the contract.
- 7.3. The contracting organization shall notify the contractor of the name and address of the project coordinator.
- 7.4. Unless it is necessary for the purposes of the contract, the drawings (*if applicable*), specifications and other documents provided by the contracting organization shall not be used or communicated to a third party by the contractor without the prior consent of the contracting organization.
- 7.5. The project coordinator shall have authority to issue to the contractor administrative orders incorporating such supplementary documents and instructions as are necessary for the proper execution of the contract and the remedying of any defects therein.
- 7.6. The special conditions must indicate the procedure used, if necessary, by the contracting organization and the project coordinator to approve drawings (*if applicable*) and other documents provided by the contractor.

Article 8 - Assistance with local regulations

- 8.1. The contractor may request the assistance of the contracting organization in obtaining copies of laws, regulations and information on local customs, orders or bye-laws of the country where the supplies are to be delivered which may affect the contractor in the performance of its obligations under the contract. The contracting

organization may provide the assistance requested to the contractor at the contractor's cost.

- 8.2. The contractor shall duly notify the contracting organization of details of the supplies so that the contracting organization can obtain the requisite permits or import licences.
- 8.3. The contracting authority will undertake to obtain, in accordance with the special conditions, the requisite permits or import licences within a reasonable period, taking account of the implementation dates for the tasks.
- 8.4. Subject to the provisions of the laws and regulations on foreign labour of Georgia in which the supplies are to be delivered, the contracting organization provides reasonable assistance to the contractor, at its request.

OBLIGATIONS OF THE CONTRACTOR

Article 9 - General obligations

- 9.1. The contractor shall implement the contract with due care, efficiency and diligence in accordance with the best professional practice.
- 9.2. The contractor shall, in accordance with the provisions of the contract, supply (deliver, unload, commission) the supplies and carry out any other work including the remedying of any defects in the supplies. The supply may include siting and installation operations. The contractor shall also provide all necessary equipment, supervision, labour and facilities required for the implementation of the tasks.
- 9.3. The contractor shall comply with administrative orders given by the project coordinator.

Where the contractor considers that the requirement of an administrative order goes beyond the scope of the contract, it shall, give notice with reasons to the project coordinator.

If the contractor fails to notify within 30 days period after receipt thereof, he shall be barred from so doing. Execution of the administrative order shall not be suspended because of this notice.

- 9.4. The contractor shall supply, without delay, any information and documents to the contracting authority and the FAO upon request, regarding the conditions in which the contract is being executed.
- 9.5. The contractor shall respect and abide by all laws and regulations in force in Georgia where the supplies are to be delivered and shall ensure that its personnel, their dependants, and its local employees also respect and abide by all such laws and regulations. The contractor shall indemnify the contracting organization against any claims and proceedings arising from any infringement by the contractor, its employees and their dependants of such laws and regulations.
- 9.6. Should any unforeseen event, action or omission directly or indirectly hamper performance of the contract, either partially or totally, the contractor shall immediately and at its own initiative record it and report it to the contracting organization. The report shall include a description of the problem and an

indication of the date on which it started and of the remedial action taken by the contractor to ensure full compliance with its obligations under the contract. In such event the contractor shall give priority to solving the problem rather than determining liability.

- 9.7. Subject to Article 9.9, the contractor undertakes to treat in the strictest confidence and not make use of or divulge to third parties any information or documents which are linked to the performance of the contract without the prior consent of the contracting organization. The contractor shall continue to be bound by this undertaking after completion of the tasks and shall obtain from each member of its staff the same undertaking. However, use of the contract's reference for marketing or tendering purposes does not require prior approval of the contracting organization, except where the contracting organization declares the contract to be confidential.
- 9.8. If the contractor is a joint venture or a consortium of two or more persons, all such persons shall be jointly and severally bound in respect of the obligations under the contract, including any recoverable amount. The person designated by the consortium to act on its behalf for the purposes of the contract shall have the authority to bind the consortium and is the sole interlocutor for all contractual and financial aspects. The composition or the constitution of the joint venture or consortium shall not be altered without the prior consent of the contracting organization. Any alteration of the composition of the consortium without the prior consent of the contracting organization may result in the termination of the contract.
- 9.9. Save where the FAO requests or agrees otherwise, the contractor shall ensure the highest visibility to the financial contribution of the FAO and primary donor – Global Environmental Facility (GEF). To ensure such publicity the contractor shall implement among other actions the specific activities described in the special conditions.
- 9.10. Any records shall be kept for a 3-year period after the final payment made under the contract.

Article 9a - Code of conduct

- 9a.1 The contractor shall at all times act impartially and as a faithful adviser in accordance with the code of conduct of its profession. It shall refrain from making public statements about the project without the prior approval of the contracting organization. It shall not commit the contracting organization in any way without its prior consent and shall, where appropriate, make this obligation clear to third parties.

Physical abuse or punishment, or threats of physical abuse, sexual abuse or exploitation, harassment and verbal abuse, as well as other forms of intimidation shall be prohibited. The contractor shall also provide to inform the contracting organization of any breach of ethical standards or code of conduct as set in the present Article. In case the contractor is aware of any violations of the abovementioned standards he shall report in writing within 30 days to the contracting organization

- 9a.2 The contractor and its staff shall respect human rights and applicable data protection rules.
- 9a.3 The contractor shall respect environmental legislation applicable in Georgia where the supplies have to be delivered and internationally agreed core labour

standards, i.e. the ILO core labour standards, conventions on freedom of association and collective bargaining, elimination of forced and compulsory labour, elimination of discrimination in respect of employment and occupation, and the abolition of child labour.

- 9.a.4 The contractor or any of its subcontractors, agents or personnel shall not abuse of its entrusted power for private gain. The contractor or any of its subcontractors, agents or personnel shall not receive or agree to receive from any person or offer or agree to give to any person or procure for any person, gift, gratuity, commission or consideration of any kind as an inducement or reward for performing or refraining from any act relating to the performance of the contract or for showing favour or disfavour to any person in relation to the contract. The contractor shall comply with all applicable laws and regulations and codes relating to anti-bribery and anti-corruption.
- 9.a.5 The payments to the contractor under the contract shall constitute the only income or benefit it may derive in connection with the contract. The contractor and its staff must not exercise any activity or receive any advantage inconsistent with their obligations under the contract.
- 9a.6 The execution of the contract shall not give rise to unusual commercial expenses.

Unusual commercial expenses are commissions not mentioned in the contract or not stemming from a properly concluded contract referring to the contract, commissions not paid in return for any actual and legitimate service, commissions remitted to a tax haven, commissions paid to a recipient who is not clearly identified or commission paid to a company which has every appearance of being a front company. The contracting organization and FAO may carry out documentary or on-the-spot checks it deems necessary to find evidence in case of suspected unusual commercial expenses.

The respect of the code of conduct set out in the present Article constitutes a contractual obligation. Failure to comply with the code of conduct is always deemed to be a breach of the contract under Article 35 of the General Conditions. In addition, failure to comply with the provision set out in the present Article can be qualified as grave professional misconduct that may lead either to suspension or termination of the contract, without prejudice to the application of administrative sanctions including exclusion from participation in future contract award procedures.

Article 9b Conflict of interest

- 9.b.1 The contractor shall take all necessary measures to prevent or end any situation that could compromise the impartial and objective performance of the contract. Such conflict of interests could 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. Any conflict of interests which may arise during performance of the contract shall be notified to the contracting organization without delay. In the event of such conflict, the contractor shall immediately take all necessary steps to resolve it.
- 9.b.2 The contracting organization reserves the right to verify that such measures are adequate and may require additional measures to be taken if necessary. 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 the contract, the contractor shall replace, immediately and without compensation from the contracting organization, any member of its staff exposed to such a situation.

- 9.b.3 The contractor shall refrain from any contact which would compromise its independence or that of its personnel.
- 9.b.4 The contractor shall limit its role in connection with the project to the provision of the supplies described in the contract.
- 9.b.5 The contractor and anyone working under its authority or control in the performance of the contract or on any other activity may be excluded from access to other GEF funds available under the same project. However, if the contractor is able to prove that his involvement in previous stage of the project does not constitute unfair competition, he may participate, subject to prior approval of the contracting organization.

Article 10 - Origin

- 10.1. All goods shall have their origin in any eligible source country as defined in the instructions to tenderers and the special conditions.
- 10.2. The contractor must certify that the goods tendered comply with this requirement, specifying their countries of origin. It may be required to provide more detailed information in this respect.
- 10.3. The contractor shall document the origin at the time of provisional acceptance. Failure to comply with this obligation may lead, after formal notice, to termination of the contract and/or suspension of payment.

Article 11 - Performance guarantee

- 11.1. The contractor shall, together with the return of the countersigned contract, furnish to the contracting organization with a guarantee for the full and proper execution of the contract. The amount of the guarantee shall be as specified in the special conditions. It shall be in the range of 5 and 10% of the total contract price, including any amounts stipulated in addenda to the contract.
- 11.2. The performance guarantee shall be held against payment to the contracting organization for any loss resulting from the contractor's failure to perform its contractual obligations under the contract.
- 11.3. The performance guarantee shall be in the format provided for in the contract and may be provided in the form of a bank guarantee, a banker's draft, a certified cheque, a bond provided by an insurance and/or bonding company, an irrevocable letter of credit or a cash deposit made with the contracting organization. If the performance guarantee is to be provided in the form of a bank guarantee, a banker's draft, a certified cheque or a bond, it shall be issued by a bank or bonding and/or insurance company approved by the contracting organization.
- 11.4. The performance guarantee shall be denominated in the currency in which the contract is payable. No payments shall be made in favour of the contractor prior to the provision of the guarantee. The guarantee shall continue to remain valid until the contract has been fully and properly performed.
- 11.5. During the execution of the contract, if the natural or legal person providing the guarantee (i) is not able or willing to abide by its commitments, (ii) is not authorised

to issue guarantees to contracting authorities, or (iii) appears not to be financially reliable, the guarantee shall be replaced. The contracting organization shall give formal notice to the contractor to provide a new guarantee on the same terms as the previous one. Should the contractor fail to provide a new guarantee, the contracting organization may terminate the contract.

- 11.6. The contracting organization shall demand payment from the guarantee of all sums for which the guarantor is liable under the guarantee due to the contractor's default under the contract, in accordance with the terms of the guarantee and up to the value thereof. The guarantor shall, without delay, pay those sums upon demand from the contracting organization and may not raise any objection for any reason whatsoever. Prior to making any claim under the performance guarantee, the contracting authority shall notify the contractor stating the nature of the default in respect of which the claim is to be made.
- 11.7. Unless the special conditions provide otherwise, the performance guarantee shall be released within 60 days of the issuing of the signed final acceptance certificate for its total amount except for amounts which are the subject of amicable settlement, arbitration or litigation.

Article 12 - Liabilities and insurance

12.1. Liabilities

The liability rules described below are without prejudice to the possible application of international conventions on the carriage of goods.

a) Liability for damage to supplies

Without prejudice to Article 32 (warranty obligations) and Article 38 (force majeure), the contractor shall assume (i) full responsibility for maintaining the integrity of the supplies and (ii) the risk of loss and damage, whatever their cause, until the final acceptance as foreseen in Article 34.

Compensation for damage to the supplies resulting from the contractor's liability in respect of the contracting organization is capped at an amount equal to three hundred thousand Georgian National Currency - Lari (GEL) if the contract value is less than or equal to three hundred thousand Georgian National Currency - Lari (GEL). If the contract value is greater than three hundred thousand Georgian National Currency - Lari (GEL), compensation for damages resulting from the contractor's liability shall be capped to the contract value.

However, compensation for loss or damage resulting from fraud or gross negligence of the contractor, its staff, its subcontractors and any person for which the contractor is answerable, can in no case be capped.

b) Contractor's liability in respect of the contracting organization

At any time, the contractor shall be responsible for and shall indemnify the contracting organization for any damage caused to the contracting organization by the contractor, its staff, its subcontractors and any person for which the contractor is answerable.

Compensation for damage resulting from the contractor's liability in respect of the contracting organization is capped at an amount equal to three hundred thousand Georgian National Currency - Lari (GEL) if the contract value is less than or equal

to three hundred thousand Georgian National Currency - Lari (GEL). If the contract value is greater than three hundred thousand Georgian National Currency - Lari (GEL)s, compensation for damages resulting from the contractor's liability shall be capped to the contract value.

However, compensation for loss or damage resulting from the contractor's liability in case of bodily injury, including death, can in no case be capped. The same applies to compensation for any damages of any kind resulting from fraud or gross negligence of the contractor, its staff, its subcontractors and any person for which the contractor is answerable.

c) Contractor's liability in respect of third parties

The contractor shall, at its own expense, indemnify, protect and defend, the contracting organization, its agents and employees, from and against all actions, claims, losses or damage, direct or indirect, of whatever nature (hereinafter 'claim(s)') arising from any act or omission by the contractor, its staff, its subcontractors and/or any person for which the contractor is answerable, in the performance of its duties.

The contracting organization must notify any third party claim to the contractor as soon as possible after the contracting organization becomes aware of them.

If the contracting organization chooses to challenge and defend itself against the claim(s), the contractor shall bear the reasonable costs of defence incurred by the contracting organization, its agents and employees.

Under these general conditions, the agents and employees of the contracting organization, as well as the contractor's staff, its subcontractors and any person for which the contractor is answerable are considered to be third parties.

The contractor shall treat all claims in close consultation with the contracting organization

Any settlement or agreement settling a claim requires the prior express consent of the contracting organization and the contractor.

12.2. Insurance

a) Insurance – general issues

At the latest together with the return of the countersigned contract, and for the period of implementation of the tasks, the contractor shall ensure that itself, its staff, its subcontractors and any person for which the contractor is answerable, are adequately insured with insurance companies recognized on the national or international insurance markets, unless the contracting organization has given its express written consent on a specific insurance company.

Under the special conditions, the contracting organization may require that at the latest together with the return of the countersigned contract, the contractor shall provide the contracting organization with all cover notes and/or certificates of insurance showing that the contractor's obligations relating to insurance are fully respected. The contractor shall submit without delay, whenever the contracting organization or the project coordinator so requests, an updated version of the cover notes and/or certificates of insurance.

The contractor shall obtain from the insurers that they commit to personally and directly inform the contracting organization of any event likely to reduce, cancel or alter in any manner whatsoever, that coverage. The insurers shall deliver this information as quickly as possible, and in any event at least thirty (30) days before the reduction, cancellation or alteration of the cover is effective. The contracting organization reserves the right to indemnify the insurer in case the contractor fails to pay the premium.

Whenever possible, the contractor shall ensure that the subscribed insurance contracts contain a waiver of recourse in favour of the contracting organization, its agents and employees.

The purchase of adequate insurances by the contractor shall in no case exempt it from its statutory and/or contractual liabilities.

The contractor shall fully bear the consequences of a total or partial lack of coverage, and to the full discharge of the contracting organization.

The contractor shall ensure that its staff, its subcontractors and any person for which the contractor is answerable comply with the same insurance requirements imposed to it under this contract. In case of default of insurance or inadequate insurance of its staff, its subcontractors or any person for which the contractor is answerable, the contractor shall indemnify the contracting organization from all consequences resulting therefrom.

Under its own responsibility and without prejudice to the obligation to take out all insurance covering its obligations under this contract, the contractor shall ensure that all compulsory insurances are subscribed in compliance with the laws and regulations in force in Georgia in which the duties are to be performed. It shall also ensure that all possible statutory obligations applying to the coverage are complied with.

The contracting organization shall not bear any liability for the assessment and adequacy of insurance policies taken out by the contractor with its contractual and/or statutory obligations.

b) Insurance – Specific issues

The contractor shall take out all insurance necessary to cover its liability, both with regard to its professional liability and its liability as provided under Article 12.1 ‘Liabilities’. The contractor shall in particular subscribe a products and after delivery insurance.

Depending on the nature of the contractor's obligations, the contracting organization may require that the carriage of supplies be covered by a ‘transportation’ insurance policy; the conditions of which may be specified in the special conditions, which may also specify other types of insurance to be taken out by the contractor. This insurance shall in particular cover the loading, intermediate storage, unloading, including stowage and protection, if such operations are included in the contract.

Article 13 - Programme of implementation of the tasks

- 13.1. If the special conditions so require, the contractor shall submit a programme of implementation of the tasks for the approval of the project coordinator. The programme shall contain at least the following:

- a) the order in which the contractor proposes to perform the contract including design, manufacture, delivery to place of receipt, installation, testing and commissioning;
 - b) the time limits within which submission and approval of the drawings (*if applicable*) are required;
 - c) a general description of the methods which the contractor proposes to adopt for executing the contract; and
 - d) such further details and information as the project coordinator may reasonably require.
- 13.2. The special conditions shall specify the time limit within which the programme of implementation of the tasks must be submitted to the project coordinator for approval. They may set time limits within which the contractor must submit all or part of the detailed drawings, documents and items. They shall also state the deadline for the project coordinator's approval or acceptance of the programme of implementation, detailed drawings, documents and items.
- 13.3. The approval of the programme by the project coordinator shall not relieve the contractor of any of its obligations under the contract.
- 13.4. No material alteration to the programme shall be made without the approval of the project coordinator. If, however, the progress of the implementation of the tasks does not conform to the programme, the project coordinator may instruct the contractor to submit a revised programme in accordance with the procedure laid down in Article 13.

Article 14 - Contractor's drawings

- 14.1. If the special conditions so provide, the contractor shall submit to the project coordinator for approval:
- a) the drawings, documents, samples and/or models, according to the time limits and procedures laid down in the special conditions or in the programme of implementation of the tasks;
 - b) such drawings as the project coordinator may reasonably require for the implementation of the tasks.
- 14.2. If the project coordinator fails to notify its decision of approval referred to in Article 14.1 within the time limits referred to in the contract or the approved programme of implementation of the tasks, such drawings, documents, samples or models shall be deemed to be approved at the end of the time limits specified. If no time limit is specified, they shall be deemed to be approved 30 days after receipt.
- 14.3. Approved drawings, documents, samples and models shall be signed or otherwise identified by the project coordinator and shall not be departed from except as otherwise instructed by the project coordinator. Any contractor's drawings, documents, samples or models which the project coordinator refuses to approve shall be modified to meet the requirements of the project coordinator and resubmitted by the contractor for approval. Within 15 days of being notified of the project coordinator's remarks, the contractor shall make the requisite corrections, adjustments etc. to the documents, drawings etc. The corrected or adjusted documents, drawings etc. shall be resubmitted for the project coordinator's approval under the same procedure.

- 14.4. The contractor shall supply additional copies of approved drawings in the form and numbers stated in the contract or in subsequent administrative orders.
- 14.5. The approval of the drawings, documents, samples or models by the project coordinator shall not relieve the contractor from any of its obligations under the contract.
- 14.6. The project coordinator shall have the right at all reasonable times to inspect all drawings, documents, samples or models relating to the contract at the contractor's premises.
- 14.7. Before provisional acceptance of the supplies, the contractor shall supply operation and maintenance manuals together with drawings, which shall be in such detail as will enable the contracting organization to operate, maintain, adjust and repair all parts of the supplies. Unless otherwise stated in the special conditions, the manuals and drawings shall be in the language of the contract and in such forms and numbers as stated in the contract. The supplies shall not be considered completed for the purpose of provisional acceptance until such manuals and drawings have been supplied to the contracting organization.

Article 15 - Sufficiency of tender prices

- 15.1. Subject to any additional provisions which may be laid down in the special conditions, the contractor shall be deemed to have satisfied itself before submitting its tender as to the correctness and sufficiency of the tender and to have taken account of all that is required for the full and proper implementation of the tasks and to have included in its rates and prices all costs related to the supplies, in particular:
 - a) the costs of transport;
 - b) the costs of handling, packing, loading, unloading, transit, delivery, unpacking, checking, insurance and other administrative costs in connection with the supplies. The packaging shall be the property of the contracting organization unless otherwise provided in the special conditions;
 - c) the cost of documents relating to the supplies where such documents are required by the contracting organization;
 - d) execution and supervision of on-site assembly and/or commissioning of the delivered supplies;
 - e) furnishing of tools required for assembly and/or maintenance of the delivered supplies;
 - f) furnishing of detailed operation and maintenance manuals for each unit of the delivered supplies, as specified in the contract;
 - g) supervision or maintenance and/or repair of the supplies, for a period of time stated in the contract, with the stipulation that this service shall not release the contractor from any warranty obligations under the contract;
 - h) training of the contracting organization's personnel, at the contractor's factory and/or elsewhere as specified in the contract.
- 15.2. Since the contractor is deemed to have determined its prices on the basis of its own calculations, operations and estimates, it shall carry out without additional charge any work that is the subject of any item whatsoever in its tender for which it neither indicates a unit price nor a lump sum.

Article 16 - Tax and customs arrangements

- 16.1. Save where otherwise provided in the special conditions, the terms of delivery of the goods shall be DDP (Delivered Duty Paid) – Incoterms 2010, International Chamber of Commerce.

Article 17 - Patents and licences

- 17.1. Save where otherwise provided in the special conditions, the contractor shall indemnify and hold the contracting organization harmless for all damages and cost incurred due to any claim brought by any third party including creators and intermediaries for alleged or actual violations of intellectual, industrial or other property rights of any kind whatsoever based on the contracting organization's use as specified in the contract of patents, licenses, drawings, designs, models, or brand or trademarks, except where such infringement results from compliance with the design or specification provided by the contracting organization.
- 17.2. All industrial, intellectual and other property rights (including but not limited to patent rights and copyright) developed in connection with the tasks by or on behalf of the contractor, including but not limited to any rights in any documents prepared for the purpose of the contract or the tasks, shall remain vested in the contractor but the contracting organization shall have an irrevocable, royalty-free, non-exclusive licence of the above-mentioned rights for the purpose of the contract.

Such licence shall carry the right to grant sub-licences and shall be transferable by the contracting organization to third parties without the consent of the contractor being required.

All industrial, intellectual and other property rights (including but not limited to patent rights and copyright) developed in connection with the tasks by or on behalf of the contracting organization, including but not limited to any rights in any documents prepared for the purpose of the contract or the tasks, shall remain vested in the contracting organization but the contractor shall have the right at its cost to copy, use and obtain communication of these documents for the purpose of the contract.

Upon and notwithstanding any termination of the contract howsoever arising, as well as after completion of the tasks, the contracting organization shall continue to have the benefit of the licence referred to in Article 17.2, first paragraph.

IMPLEMENTATION OF THE TASKS AND DELAYS

Article 18 - Commencement order

- 18.1. Subject to the special conditions, the contracting organization shall fix the date on which implementation of the tasks is to commence and advise the contractor thereof either in the notification of award of the contract or by administrative order.
- 18.2. Save where the parties agree otherwise, implementation of the tasks shall begin no later than 90 days following notification of award of contract. Unless this delay results from the contractor default, after that date the contractor shall be entitled not to implement the contract and to obtain its termination and/or compensation for the

damage it has suffered. The contractor shall forfeit this right unless it exercises it within 30 days of the expiry of the 90-day period.

Article 19 - Period of implementation of the tasks

- 19.1. The period of implementation of tasks shall commence on the date fixed in accordance with Article 18 and shall be as laid down in the special conditions, without prejudice to extensions of the period which may be granted under Article 20.
- 19.2. If provision is made for distinct periods of implementation of the tasks for separate lots, in cases where one contractor is awarded more than one lot per contract, the periods of implementation of the tasks for the separate lots shall not be accumulated.

Article 20 - Extension of period of implementation of the tasks

- 20.1. The contractor may request an extension to the period of implementation of the tasks if it is or will be delayed in completing the contract by any of the following reasons:
 - a) exceptional weather conditions in the country of the contracting organization which may affect installation or erection of the supplies;
 - b) artificial obstructions or physical conditions which may affect delivery of the supplies, which could not reasonably have been foreseen by an experienced contractor;
 - c) administrative orders affecting the date of completion other than those arising from the contractor's default;
 - d) failure of the contracting organization to fulfil its obligations under the contract;
 - e) any suspension of the delivery and/or installation of the supplies which is not due to the contractor's default;
 - f) force majeure;
 - g) extra or additional supplies ordered by the contracting organization;
 - h) any other causes referred to in these general conditions which are not due to the contractor's default.
- 20.2. If the contractor considers himself to be entitled to any extension of the period of implementation under the contract, the contractor shall:
 - a) give notice to the project coordinator of its intention to make such a request no later than 15 days after the contractor became aware, or should have become aware of the event or circumstance giving rise to the request.
 - b) If the contractor fails to give notice of a request for extension of the period of implementation within such period of 15 days, the period of implementation shall not be extended and the contracting organization shall be discharged from all liability in connection with the request; and
 - c) submit to the project coordinator full and detailed particulars of the request, within 30 days from the above notification unless otherwise agreed between the contractor and the Authorized Acceptance Official, in order that such request may be investigated at the time.

- 20.3. Within 30 days from the receipt of the contractor's detailed particulars of the request, the project coordinator shall in agreement with the contracting organization, by notice to the contractor, grant such extension of the period of implementation of the tasks as may be justified, either prospectively or retrospectively, or inform the contractor that it is not entitled to an extension.

Article 21 - Delays in implementation of the tasks

- 21.1. If the contractor fails to deliver any or all of the goods or perform the services within the period of implementation of the tasks specified in the contract, the contracting organization shall, without formal notice and without prejudice to its other remedies under the contract, be entitled to liquidated damages for every day, or part thereof, which shall elapse between the end of the period of implementation of the tasks, or extended period of implementation of the tasks under article 20, and the actual date of completion. The daily rate of liquidated damages is 5/1000 of the value of the undelivered supplies to a maximum of 15% of the total contract price.
- 21.2. If the non-delivery of any of the goods prevents the normal use of the supplies as a whole, the liquidated damages provided for in Article 21.1 shall be calculated on the basis of the total contract price.
- 21.3. If the contracting organization has become entitled to claim at least 15% of the total contract price it may, after giving notice to the contractor:
- seize the performance guarantee; and/or
 - terminate the contract,
 - enter into a contract with a third party for the provision of the balance of the supplies at the contractor's cost.

Article 22 - Amendments

- 22.1. Contract amendments must be formalised by a contract addendum signed by both parties. Substantial amendments to the contract, including amendments to the total contract price, must be made by means of an addendum. Any contractual amendments must respect the general principles defined in the practical guide.
- 22.2. Subject to the limits of the procedure thresholds set in the practical guide, the contracting organization reserves the right to vary by an administrative order the quantities per lot or per item by +/- 100 % at the time of contracting and during the validity of the contract. The total value of the supplies may not rise or fall as a result of the variation by more than 25% of the tender price. The unit prices quoted in the tender shall be applicable to the quantities procured under the variation.
- 22.3. The contracting organization shall have the power to order any amendment to any part of the supplies necessary for the proper completion and/or functioning of the supplies. Such amendments by administrative order may include additions, omissions, substitutions, changes in quality, quantity, form, character, kind, as well as in drawings, designs or specifications where the supplies are to be specifically manufactured for the contracting organization, in method of shipment or packing, place of delivery, and in the specified sequence, method or timing of implementation of the tasks. No administrative order shall have the effect of invalidating the contract, but the financial effect, if any, of all such amendments shall be valued in accordance with Article 22.7.

- 22.4. All administrative orders shall be issued in writing, it being understood that:
- a) if, for any reason, the project coordinator or the contracting organization finds it necessary to give an order orally, it shall as soon as possible thereafter confirm the order by an administrative order;
 - b) if the contractor confirms in writing an oral order given for the purpose of Article 22.4.a and the confirmation is not contradicted in writing forthwith by the project coordinator or the contracting authority, the project coordinator or the contracting authority shall be deemed to have issued an administrative order;
 - c) no administrative order is required to increase or decrease the quantity of any incidental siting or installation because the estimates in the budget breakdown were too high or too low.
- 22.5. Save where Article 22.4 provides otherwise, prior to issuing an administrative order, the project coordinator or the contracting organization shall notify the contractor of the nature and form of such amendment. The contractor shall then, without delay, submit to the project coordinator a written proposal containing:
- a description of the tasks, if any, to be performed or the measures to be taken and a programme of implementation of the tasks;
 - any necessary amendments to the programme of implementation of the tasks or to any of the contractor's obligations resulting from this contract; and
 - any adjustment to the total contract price.
- 22.6. Following the receipt of the contractor's submission referred to in Article 22.5, the project coordinator shall, after due consultation with the contracting authority and, where appropriate, the contractor, decide without delay whether or not to accept the amendment. If the project coordinator accepts the amendment, it shall notify the contractor through an administrative order stating that the contractor shall carry out the amendment at the prices and under the conditions given in the contractor's submission referred to in Article 22.5 or as modified by the project coordinator in accordance with Article 22.7.
- 22.7. The prices for all amendments ordered by the project coordinator or the contracting organization in accordance with Articles 22.4 and 22.6 shall be ascertained in accordance with the following principles:
- where the task is of similar character and implemented under similar conditions as an item priced in the budget breakdown, it shall be valued at such rates and prices contained therein;
 - where the task is not of a similar character or is not implemented under similar conditions, the rates and prices in the contract shall be used as the basis for valuation as far as is reasonable, failing which the project coordinator shall make a fair valuation;
 - if the nature or amount of any amendment relative to the nature or amount of the whole contract or to any part thereof is such that, in the opinion of the project coordinator, any rate or price contained in the contract for any item of work is, by reason of such amendment, rendered unreasonable, the project coordinator shall fix such rate or price as he thinks reasonable and proper in the circumstances;

where an amendment is required by a default or breach of contract by the contractor, any additional cost attributable to such amendment shall be borne by the contractor.

- 22.8. On receipt of the administrative order, the contractor shall carry out the requested amendment according to the following principles:
- a) The contractor shall be bound by these general conditions as if the amendment requested by administrative order were stated in the contract.
 - b) The contractor shall not delay the execution of the administrative order pending the granting of any extension of time for completion or adjustment to the total contract price.
 - c) Where the administrative order precedes the adjustment to the total contract price, the contractor shall keep records of the costs of undertaking the amendment and of the time expended thereon. Such records shall be open to inspection by the project coordinator at all reasonable times.
- 22.9. The contractor shall notify the contracting organization of any change of bank account, using the electronic form issued by a service bank. The contracting authority shall have the right to oppose the contractor's change of bank account.

Article 23 - Suspension

- 23.1. The contractor shall, on the order of the contracting organization, suspend the implementation of the contract or any part thereof for such time or times and in such manner as the contracting organization may consider necessary. The suspension shall take effect on the day the contractor receives the order or at a later date when the order so provides.
- 23.2. Suspension in the event of presumed breach of obligations or irregularities or fraud:
- The contract may be suspended in order to verify whether presumed breach of obligations or irregularities or fraud occurred during the award procedure or the performance of the contract. If these are not confirmed, performance of the contract shall resume as soon as possible.
- 23.3. During the period of suspension, the contractor shall protect and secure the supplies affected at the contractor's warehouse or elsewhere, against any deterioration, loss or damage to the extent possible and as instructed by the project coordinator, even if supplies have been delivered to the place of acceptance in accordance with the contract but their installation has been suspended by the project coordinator.
- 23.4. Additional expenses incurred in connection with such protective measures may be added to the total contract price, unless:
- a) otherwise provided for in the contract; or
 - b) such suspension is necessary by reason of some breach or default of the contractor;
or
 - c) such suspension is necessary by reason of normal climatic conditions at the place of acceptance; or

- d) such suspension is necessary for the safety or the proper execution of the contract or any part thereof insofar as such necessity does not arise from any act or default by the project coordinator or the contracting organization or
 - e) the presumed breach of obligations or irregularities or fraud mentioned in article 23.2 are confirmed and attributable to the contractor.
- 23.5. The contractor shall only be entitled to such additions to the total contract price if it notifies the project coordinator, within 30 days after receipt of the order to suspend the contract, of its intention to claim them.
- 23.6. The contracting organization, after consulting the contractor, shall determine such additions to the total contract price and/or extension of the period of performance to be granted to the contractor in respect of such claim as shall, in the opinion of the contracting organization, be fair and reasonable.
- 23.7. The contracting organization shall, as soon as possible, order the contractor to resume the contract suspended or inform the contractor that it terminates the contract. If the period of suspension exceeds 180 days and the suspension is not due to the contractor's breach or default, the contractor may, by notice to the contracting organization, request to proceed with the contract within 30 days, or terminate the contract.

MATERIALS AND WORKMANSHIP

Article 24 - Quality of supplies

- 24.1. The supplies must in all respects satisfy the technical specifications laid down in the contract and conform in all respects to the drawings, surveys, models, samples, patterns and other requirements in the contract, which shall be held at the disposal of the contracting organization or the project coordinator for the purposes of identification throughout the period of execution.
- 24.2. Any preliminary technical acceptance stipulated in the special conditions shall be the subject of a request sent by the contractor to the project coordinator. The request shall indicate the reference to the contract, specify the materials, items and samples submitted for such acceptance according to the contract and indicate the lot number and the place where acceptance is to take place, as appropriate. The materials, items and samples specified in the request must be certified by the project coordinator as meeting the requirements for such acceptance prior to their incorporation in the supplies.
- 24.3. Even if materials or items to be incorporated in the supplies or in the manufacture of components to be supplied have been technically accepted in this way, they may still be rejected if a further examination reveals defects or faults, in which case they must immediately be replaced by the contractor. The contractor may be given the opportunity to repair and make good materials and items which have been rejected, but such materials and items will be accepted for incorporation in the supplies only if they have been repaired and made good to the satisfaction of the project coordinator.

Article 25 - Inspection and testing

- 25.1. The contractor shall ensure that the supplies are delivered to the place of acceptance in time to allow the project coordinator to proceed with acceptance of the supplies. The contractor is deemed to have fully appreciated the difficulties which it might encounter in this respect, and it shall not be permitted to advance any grounds for delay in fulfilling its obligations.
- 25.2. The project coordinator shall be entitled to inspect, examine measure and test the components, materials and workmanship, and check the progress of preparation, fabrication or manufacture of anything being prepared, fabricated or manufactured for delivery under the contract, in order to establish whether the components, materials and workmanship are of the requisite quality and quantity. This shall take place at the place of manufacture, fabrication, preparation or at the place of acceptance or at such other places as may be specified in the special conditions.
- 25.3. For the purposes of such tests and inspections, the contractor shall:
- a) provide the project coordinator, temporarily and free of charge, with such assistance, test samples or parts, machines, equipment, tools, labour, materials, drawings and production data as are normally required for inspection and testing;
 - b) agree, with the project coordinator and authorized acceptance official, on the time and place for tests;
 - c) provide access to the project coordinator at all reasonable times to the place where the tests are to be carried out.
- 25.4. If the project coordinator and authorized acceptance official are not present on the date agreed for tests, the contractor may, unless otherwise instructed by the project coordinator, proceed with the tests, which shall be deemed to have been made in the project coordinator's presence. The contractor shall immediately send duly certified copies of the test results to the project coordinator and authorized acceptance official, who shall, if it has not attended the test, be bound by the test results.
- 25.5. When components and materials have passed the above-mentioned tests, the project coordinator shall notify the contractor or endorse the contractor's certificate to that effect.
- 25.6. If the project coordinator, authorized acceptance official and the contractor disagree on the test results, each shall give a statement of its views to the other within 15 days of such disagreement arises. The project coordinator or the contractor may require such tests to be repeated on the same terms and conditions or, if either party so requests, by an expert selected by common consent. All test reports shall be submitted to the project coordinator, who shall communicate the results of these tests without delay to the contractor. The results of retesting shall be conclusive. The cost of retesting shall be borne by the party whose views are proved wrong by the retesting.
- 25.7. In the performance of their duties, the project coordinator and any person authorised by him shall not disclose to unauthorised persons information concerning the undertaking's methods of manufacture and operation obtained through inspection and testing.

PAYMENTS

Article 26 - General principles

- 26.1. Payments shall be made in Georgian National Currency - Lari (GEL) or national currency as specified in the special conditions. The special conditions shall lay down the administrative or technical conditions governing payments of pre-financing and final payments made in accordance with the general conditions.
- 26.2. Payments due by the contracting organization shall be made to the bank account form submitted by the contractor. The same form, annexed to the invoice, must be used to report changes of bank account.
- 26.3. Pre-financing payment shall be made within 30 days from the date on which an admissible invoice is registered by the contracting organization. The invoice shall not be admissible if one or more essential requirements are not met. Final payment shall be made within 60 days from the date on which an invoice is registered by the contracting organization, together with the request for provisional acceptance as per article 31.2. The date of payment shall be the date on which the paying account is debited.
- 26.4. The period referred to in article 26.3 may be suspended by notifying the contractor that the invoice cannot be fulfilled because the sum is not due, because appropriate substantiating documents have not been provided or because there is evidence that the expenditure might not be eligible. In the latter case, an inspection may be carried out on the spot for the purpose of further checks. The contractor shall provide clarifications, modifications or further information within 30 days of being asked to do so. The payment period shall continue to run from the date on which a properly drawn-up invoice is registered.
- 26.5. The payments shall be made as follows:
 - a) up to 60% of the total contract price after the signing of the contract, against provision of the performance guarantee (if applicable) and of a pre-financing guarantee (if applicable) for the full amount of the pre-financing payment, unless otherwise provided for in the special conditions. The pre-financing guarantee shall be provided to the contracting organization following the procedure foreseen for the performance guarantee in accordance with Article 11.3-5, and in accordance with the format annexed to the contract. The pre-financing guarantee must remain valid until it is released 30 days at the latest after the provisional acceptance of the goods. Where the contractor is a public body, the obligation for a pre-financing guarantee may be waived depending on a risk assessment made;
 - b) up to 30% of the total contract price, after receipt by the contracting organization of an invoice and of the application for the certificate of provisional acceptance;
 - c) up to 10% of the total contract price, as payment of the balance, after receipt by the contracting organization of an invoice and of the application for the certificate of final acceptance.

- 26.6. Where only part of the supplies has been delivered, the up to 60% payment due following partial provisional acceptance shall be calculated on the value of the supplies which have actually been accepted and the security shall be released accordingly.
- 26.7. For supplies not covered by a warranty period, the payments listed above shall be aggregated. The conditions to which the payments of pre-financing and final payments are subject, shall be as stated in the special conditions.
- 26.8. Unless otherwise stipulated in the special conditions, the contract shall be at fixed prices, which shall not be revised.
- 26.10. The contractor undertakes to repay any amounts paid in excess of the final amount due to the contracting organization before the deadline indicated in the debit note which is 45 days from the issuing of that note. Should the contractor fail to make repayment within the above deadline, the contracting organization may (unless the contractor is a public body in Georgia (Legal Entity of Public Law - LEPL) increase the amounts due by adding interest:
- at the rediscount rate applied by the central bank of the country of the contracting organization if payments are in the currency of that country;
- at the rate applied by the National Bank of Georgia to its main refinancing transactions in Georgian National Currency - Lari (GEL), as published in the Official Web-Page of the National Bank of Georgia (www.nbg.gov.ge), where payments are in Georgian National Currency - Lari (GEL),
- on the first day of the month in which the time-limit expired, plus eight percentage points. The default interest shall be incurred over the time which elapses between the date of the payment deadline, and the date on which payment is actually made. Any partial payments shall first cover the interest thus established.
- Amounts to be repaid to the contracting organization may be offset against amounts of any kind due to the contractor. This shall not affect the parties' right to agree on payment in instalments. Bank charges arising from the repayment of amounts due to the contracting organization shall be borne entirely by the contractor.
- 26.11. If the contract is terminated for any reason whatsoever, the guarantee securing the pre-financing may be invoked forthwith in order to repay the balance of the pre-financing still owed by the contractor, and the guarantor shall not delay payment or raise objection for any reason whatever.
- 26.12. Prior to, or instead of, terminating the contract as provided for in Article 36, the contracting organization may suspend payments as a precautionary measure without prior notice.
- 26.13. Where the award procedure or the performance of the contract proves to have been subject to breach of obligations, irregularities or fraud attributable to the contractor, the contracting organization may in addition to the possibility to suspend the performance of the contract in accordance with Article 23.2 and to terminate the contract as provided for in Article 36, suspend payments and/or recover amounts already paid, in proportion to the seriousness of the breach of obligations, irregularities or fraud. In addition to measures referred above, the contracting organization may reduce the contract value in proportion to the seriousness of the irregularities, fraud or of the breach of obligations, including where the activities concerned were not implemented or were implemented poorly, partially or late.

Article 27 - Payment to third parties

- 27.1. Orders for payments to third parties may be carried out only after an assignment made in accordance with Article 5. The assignment shall be notified to the contracting organization.
- 27.2. Notification of beneficiaries of the assignment shall be the sole responsibility of the contractor.
- 27.3. In the event of a legally binding attachment of the property of the contractor affecting payments due to him under the contract, and without prejudice to the time limit laid down in Article 26, the contracting organization shall have 30 days, starting from the day on which it receives notification of the definitive lifting of the obstacle to payment, to resume payments to the contractor.

Article 28 - Delayed payments

- 28.1. The contracting organization shall pay the contractor sums due in accordance with Article 26.3.
- 28.2. Once the time-limit referred to in Article 26.3 has expired, the contractor – unless the contractor is a public body in Georgia - shall, within two months of receipt of the late payment, receive default interest:
 - at the rediscount rate applied by the central bank of Georgia if payments are in the currency of Georgia;
 - at the rate applied by the the National Bank of Georgia to its main refinancing transactions in Georgian National Currency - Lari (GEL), as published in the Official Web-Page of the National Bank of Georgia (www.nbg.gov.ge), where payments are in Georgian National Currency - Lari (GEL),

on the first day of the month in which the time-limit expired, plus eight percentage points. The interest shall be payable for the time elapsed between the expiry of the payment deadline and the date on which the contracting organization's account is debited.

However, when the interest calculated in accordance with the first subparagraph is lower than or equal to GEL 600, it shall be paid to the creditor only upon a demand submitted within two months of receiving late payment.

- 28.3. Any default in payment of more than 90 days from the expiry of the period laid down in Article 26.3 shall entitle the contractor either not to perform the contract or to terminate it, according to Article 37.

ACCEPTANCE AND MAINTENANCE

Article 29 - Delivery

- 29.1. The contractor shall deliver the supplies in accordance with the conditions of the contract.

The supplies shall be at the risk of the contractor until their final acceptance.

- 29.2. The contractor shall provide such packaging of supplies as is required to prevent their damage or deterioration in transit to their destination as indicated in the contract. The packaging shall be sufficient to withstand, without limitation, rough handling, exposure to extreme temperatures, salt and precipitation during transit and open storage. Package size and weight shall take into consideration, where appropriate, the remoteness of the final destination of the supplies, and the possible absence of heavy handling facilities at all points in transit.
- 29.3. The packaging, marking and documentation inside and outside the packages shall comply with such requirements as shall be expressly provided for in the special conditions, subject to any amendments subsequently ordered by the project coordinator or the contracting organization.
- 29.4. No supplies shall be shipped or delivered to the place of acceptance until the contractor has received a delivery order from the project coordinator or authorized acceptance official. The contractor shall be responsible for the delivery at the place of acceptance of all supplies and supplier's equipment required for the purpose of the contract.
- 29.5. Each delivery must be accompanied by a statement drawn up by the contractor. This statement shall be as specified in the special conditions.
- 29.6. Each package shall be clearly marked in accordance with the special conditions.
- 29.7. Delivery shall be deemed to have been made when there is written evidence available to both parties that delivery of the supplies has taken place in accordance with the terms of the contract, and the invoice(s) and all such other documentation specified in the special conditions, have been submitted to the contracting organization. Where the supplies are delivered to an establishment of the contracting organization, the latter shall bear the responsibility of bailee, in accordance with the requirements of the law applicable to the contract, during the time which elapses between delivery for storage and acceptance.

Article 30 - Verification operations

- 30.1. The supplies shall not be accepted until the prescribed verifications and tests have been carried out at the expense of the contractor. The verifications and tests may be conducted before shipment, at the point of delivery and/or at the final destination of the goods.
- 30.2. The project coordinator or authorized acceptance official shall, during the progress of the delivery of the supplies and before the supplies are taken over, have the power to order or decide:
- a) the removal from the place of acceptance, within such time or times as may be specified in the order, of any supplies which, in the opinion of the project coordinator, are not in accordance with the contract;
 - b) their replacement with proper and suitable supplies;
 - c) the removal and proper re-installation, notwithstanding any previous test thereof or of any installation which in respect of materials, workmanship or design for which the contractor is responsible, is not, in the opinion of the project coordinator, in accordance with the contract;
 - d) that any work done or goods supplied or materials used by the contractor is or are not in accordance with the contract, or that the supplies or any portion thereof do not fulfil the requirements of the contract.

- 30.3. The contractor shall, with all speed and at its own expense, make good the defects so specified. If the contractor does not comply with such order, the contracting organization shall be entitled to employ other persons to carry out the orders and all expenses consequent thereon or incidental thereto shall be deducted by the contracting organization from any monies due or which may become due to the contractor.
- 30.4. Supplies which are not of the required quality shall be rejected. A special mark may be applied to the rejected supplies. This shall not be such as to alter them or affect their commercial value. Rejected supplies shall be removed by the contractor from the place of acceptance, if the project coordinator so requires, within a period which the project coordinator shall specify, failing which they shall be removed as of right at the expense and risk of the contractor. Any works incorporating rejected materials shall be rejected.
- 30.5. The provisions of Article 30 shall not affect the right of the contracting organization to claim under Article 21, nor shall it in any way release the contractor from any warranty or other obligations under the contract.

Article 31 - Provisional acceptance

- 31.1. The supplies shall be taken over by the contracting organization when they have been delivered in accordance with the contract, have satisfactorily passed the required tests, or have been commissioned as the case may be, and a certificate of provisional acceptance has been issued or is deemed to have been issued.
- 31.2. The contractor may apply, by notice to the project coordinator or authorized acceptance official, for a certificate of provisional acceptance when supplies are ready for provisional acceptance. The project coordinator or authorized acceptance official shall within 30 days of receipt of the contractor's application either:
- issue the certificate of provisional acceptance to the contractor with a copy to the contracting organization stating, where appropriate, his reservations, and, inter alia, the date on which, in his opinion, the supplies were completed in accordance with the contract and ready for provisional acceptance; or
 - reject the application, giving his reasons and specifying the action which, in his opinion, is required of the contractor for the certificate to be issued.

The contracting organization's time limit for issuing the certificate of provisional acceptance to the contractor shall be considered included in the time limit for payments indicated in Article 26.3, unless otherwise specified in the special conditions.

- 31.3. Should exceptional circumstances make it impossible to proceed with the acceptance of the supplies during the period fixed for provisional or final acceptance, a statement certifying such impossibility shall be drawn up by the project coordinator after consultation, where possible, with the contractor. The certificate of acceptance or rejection shall be drawn up within 30 days following the date on which such impossibility ceases to exist. The contractor shall not invoke these circumstances in order to avoid the obligation of presenting the supplies in a state suitable for acceptance.
- 31.4. If the project coordinator or authorized acceptance official fails either to issue the certificate of provisional acceptance or to reject the supplies within the period of 30 days, it shall be deemed to have issued the certificate on the last day of that period, except where the certificate of provisional acceptance is deemed to constitute a

certificate of final acceptance. In this case, Article 34.2 below does not apply. If the supplies are divided by the contract into lots, the contractor shall be entitled to apply for separate certificates for each of the lots.

- 31.5. In case of partial delivery, the contracting organization reserves the right to give partial provisional acceptance.
- 31.6. Upon provisional acceptance of the supplies, the contractor shall dismantle and remove temporary structures as well as materials no longer required for use in connection with the implementation of the contract. It shall also remove any litter or obstruction and redress any change in the condition of the place of acceptance as required by the contract.
- 31.7. Immediately after provisional acceptance, the contracting organization may make use of all the supplies delivered.

Article 32 - Warranty obligations

- 32.1. The contractor shall warrant that the supplies are new, unused, of the most recent models and incorporate all recent improvements in design and materials, unless otherwise provided in the contract. The contractor shall further warrant that all supplies shall have no defect arising from design, materials or workmanship, except insofar as the design or materials are required by the specifications, or from any act or omission, that may develop under use of the supplies in the conditions obtaining in the country of the contracting organization.
- 32.2. The contractor shall be responsible for making good any defect in, or damage to, any part of the supplies which may appear or occur during the warranty period and which:
 - a) results from the use of defective materials, faulty workmanship or design of the contractor; and/or
 - b) results from any act or omission of the contractor during the warranty period;

and/or
 - c) appears in the course of an inspection made by, or on behalf of, the contracting organization.
- 32.3. The contractor shall at its own cost make good the defect or damage as soon as practicable. The warranty period for all items replaced or repaired shall recommence from the date when the replacement or repair was made to the satisfaction of the project coordinator. If the contract provides for partial acceptance, the warranty period shall be extended only for the part of the supplies affected by the replacement or repair.
- 32.4. If any such defect appears or such damage occurs during the warranty period, the contracting organization or the project coordinator shall notify the contractor. If the contractor fails to remedy a defect or damage within the time limit stipulated in the notification, the contracting organization may:
 - a) remedy the defect or the damage itself, or employ someone else to carry out the tasks at the contractor's risk and cost, in which case the costs incurred by the contracting organization shall be deducted from monies due to or from guarantees held against the contractor or from both; or
 - b) terminate the contract.

- 32.5. In case of emergency, where the contractor cannot be reached immediately or, having been reached, is unable to take the measures required, the contracting organization or the project coordinator may have the tasks carried out at the expense of the contractor. The contracting organization or the project coordinator shall as soon as practicable inform the contractor of the action taken.
- 32.6. The warranty obligations shall be stipulated in the special conditions and technical specifications.
- 32.7. Save where otherwise provided in the special conditions, the duration of the warranty period shall be 365 days. The warranty period shall commence on the date of provisional acceptance or last signature of the contract and may recommence in accordance with Article 32.3.

Article 33 - After-sales service

- 33.1. An after-sales service, if required by the contract, shall be provided in accordance with the details stipulated in the special conditions. The contractor shall undertake to carry out or have carried out the maintenance and repair of supplies and to provide a rapid supply of spare parts. The special conditions may specify that the contractor must provide any or all of the following materials, notifications and documents pertaining to spare parts manufactured or distributed by the contractor:
- a) such spare parts as the contracting organization may choose to purchase from the contractor, it being understood that this choice shall not release the contractor from any warranty obligations under the contract;
 - b) in the event of termination of production of the spare parts, advance notification to the contracting organization to allow it to procure the parts required and, following such termination, provision at no cost to the contracting authority of the blueprints, drawings and specifications of the spare parts, if and when requested.

Article 34 - Final acceptance

- 34.1. Upon expiry of the warranty period, or where there is more than one such period, upon expiry of the latest period, and when all defects or damage have been rectified, the project coordinator shall issue the contractor a final acceptance certificate and a copy thereof to the contracting organization, stating the date on which the contractor completed its obligations under the contract to the project coordinator's satisfaction. The final acceptance certificate shall be issued by the project coordinator within 30 days after the expiration of the warranty period or as soon as any repairs ordered under Article 32 have been completed to the satisfaction of the project coordinator.
- 34.2. The contract shall not be considered to have been performed in full until the final acceptance certificate has been signed or is deemed to have been signed by the project coordinator or authorized acceptance official.
- 34.3. Notwithstanding the issue of the final acceptance certificate, the contractor and the contracting organization shall remain liable for the fulfilment of any obligation incurred under the contract prior to the issue of the final acceptance certificate which remains unperformed at the time that final acceptance certificate is issued. The nature and extent of any such obligation shall be determined by reference to the provisions of the contract.

BREACH OF CONTRACT AND TERMINATION

Article 35 - Breach of contract

- 35.1. Either party commits a breach of contract where it fails to perform its obligations in accordance with the provisions of the contract.
- 35.2. Where a breach of contract occurs, the party injured by the breach is entitled to the following remedies:
 - a) damages; and/or
 - b) termination of the contract.
- 35.3. Damages may be either: a) general damages; or b) liquidated damages.
- 35.4. Should the contractor fail to perform any of its obligations in accordance with the provisions of the contract, the contracting organization is without prejudice to its right under Article 35.2, also entitled to the following remedies:
 - a) suspension of payments; and/or
 - b) reduction or recovery of payments in proportion to the failure's extent.
- 35.5. Where the contracting organization is entitled to damages, it may deduct such damages from any sums due to the contractor or call on the appropriate guarantee.
- 35.6. The contracting organization shall be entitled to compensation for any damage which comes to light after the contract is completed in accordance with the law governing the contract.

Article 36 - Termination by the contracting organization

- 36.1. The contracting organization may, at any time and with immediate effect, subject to Article 36.9, terminate the contract, except as provided for under Article 36.2.
- 36.2. Subject to any other provision of these general conditions, the contracting organization may, by giving seven day notice to the contractor, terminate the contract in any of the following cases where:
 - a) the contractor is in serious breach of contract for failure to perform its contractual obligations;
 - b) the contractor fails to comply within a reasonable time with the notice given by the project coordinator requiring it to make good the neglect or failure to perform its obligations under the contract which seriously affects the proper and timely implementation of the tasks;
 - c) the contractor refuses or neglects to carry out any administrative orders given by the project coordinator;
 - d) the contractor assigns the contract or subcontracts without the authorisation of the contracting organization;
 - e) the contractor is bankrupt, subject to insolvency or winding up procedures, is having its assets administered by a liquidator or by the courts, has entered into an arrangement with creditors, has suspended business activities, or is in any analogous situation arising from a similar procedure provided for under Georgia's national law or regulations;

- f) any organisational modification occurs involving a change in the legal personality, nature or control of the contractor, unless such modification is recorded in an addendum to the contract;
- g) any other legal disability hindering performance of the contract occurs;
- h) the contractor fails to provide the required guarantees or insurance, or the person providing the earlier guarantee or insurance is not able to abide by its commitments;
- i) the contractor has been guilty of grave professional misconduct proven by any means which the contracting organization can justify;
- j) it has been established by a final judgment or a final administrative decision or by proof in possession of the contracting organization that the contractor has been guilty of fraud, corruption, involvement in a criminal organisation, money laundering or terrorist financing, terrorist related offences, child labour or other forms of trafficking in human beings or circumventing fiscal, social or any other applicable legal obligations, including through the creation of an entity for this purpose;
- k) the contractor, in the performance of another contract financed by the GEF funds has been declared to be in serious breach of contract, which has led to its early termination or the application of liquidated damages or other contractual penalties or which has been discovered following checks, audits or investigations by the GEF Implementing Agency, the contracting organization, or the Auditors;
- l) after the award of the contract, the award procedure or the performance of the contract proves to have been subject to breach of obligations, irregularities or fraud;
- m) the award procedure or the performance of another contract financed by the GEF funds proves to have been subject to breach of obligations, irregularities or fraud which are likely to affect the performance of the present contract;
- n) the contractor fails to perform its obligation in accordance with Article 9a and Article 9b;
- o) the contractor fails to comply with its obligation in accordance with Article 10;
- p) the contractor is in breach of the data protection obligations resulting from Article 44 of these general conditions.

The cases of termination under points (e), (i), (j), (l), (m) and (n) may refer also to persons who are members of the administrative and management of the contractor and/or to persons having powers of representation, decision or control with regard to the contractor.

The cases of termination under points (a), (e), (f), (g), (i), (j), (k), (l), (m) and (n) may refer also to persons jointly and severally liable for the performance of the contract.

The cases under points (e), (i), (j), (k), (l), (m), (n) and (p) may refer also to subcontractors.

- 36.3. Termination shall be without prejudice to any other rights or powers under the contract of the contracting organization and the contractor. The contracting organization may, thereafter, conclude any other contract with a third party, at the contractor's own expense. The contractor's liability for delay in completion shall

immediately cease when the contracting organization terminates the contract without prejudice to any liability thereunder that may already have arisen.

- 36.4. Upon termination of the contract or when it has received notice thereof, the contractor shall take immediate steps to bring the implementation of the tasks to a close in a prompt and orderly manner and to reduce expenditure to a minimum.
- 36.5. The project coordinator shall, as soon as possible after termination, certify the value of the supplies and all sums due to the contractor as at the date of termination.
- 36.6. In the event of termination, the project coordinator shall, as soon as possible and in the presence of the contractor or his representatives or having duly summoned them, draw up a report on the supplies delivered and the incidental siting or installation performed and take an inventory of the materials supplied and unused. A statement shall also be drawn up of monies due to the contractor and of monies owed by the contractor to the contracting organization as at the date of termination of the contract.
- 36.7. The contracting organization shall not be obliged to make any further payments to the contractor until the supplies are completed. After the supplies are completed, the contracting organization shall recover from the contractor the extra costs, if any, of providing the supplies, or shall pay any balance still due to the contractor.
- 36.8. If the contracting organization terminates the contract pursuant to Article 36.2, it shall, in addition to the extra costs for completion of the contract and without prejudice to its other remedies under the contract, be entitled to recover from the contractor any loss it has suffered up to the value of the supply unless otherwise provided for in the special conditions.
- 36.9. Where the termination is not due to an act or omission of the contractor, force majeure or other circumstances beyond the control of the contracting organization, the contractor shall be entitled to claim in addition to sums owed to it for work already performed, an indemnity for loss suffered.
- 36.10. This contract shall be automatically terminated if it has not given rise to any payment in the two years following its signing by both parties.

Article 37 - Termination by the contractor

- 37.1. The contractor may, by giving 14 days' notice to the contracting organization, terminate the contract if the contracting organization:
 - fails to pay the contractor the amounts due under any certificate issued by the project coordinator after the expiry of the time limit stated in Article 28.3; or
 - consistently fails to meet its obligations after repeated reminders; or
 - suspends the delivery of the supplies, or any part thereof, for more than 180 days, for reasons not specified in the contract or not attributable to the contractor's breach or default.
- 37.2. Such termination shall be without prejudice to any other rights of the contracting organization or the contractor acquired under the contract.
- 37.3. In the event of such termination, the contracting organization shall pay the contractor for any loss or damage the contractor may have suffered.

Article 38 - Force majeure

- 38.1. Neither party shall be considered to be in default or in breach of its obligations under the contract if the performance of such obligations is prevented by any circumstances of *force majeure* which arises after the date of notification of award or the date when the contract becomes effective
- 38.2. The term *force majeure*, as used herein covers any unforeseeable events, not within the control of either party and which by the exercise of due diligence neither party is able to overcome such as acts of strikes, lock-outs or other industrial disturbances, acts of the public enemy, wars whether declared or not, blockades, insurrection, riots, epidemics, landslides, earthquakes, storms, lightning, floods, washouts, civil disturbances, explosions. A decision of GEF to suspend the cooperation with Georgia (the partner country) is considered to be a case of force majeure when it implies suspension of funding this contract.
- 38.3. Notwithstanding the provisions of Articles 21 and 36, the contractor shall not be liable to forfeiture of its performance guarantee, liquidated damages or termination for default if, and to the extent that, its delay in performance or other failure to perform its obligations under the contract is the result of an event of *force majeure*. The contracting organization shall similarly not be liable, notwithstanding the provisions of Articles 28 and 37, for the payment of interest on delayed payments, for non-performance or for termination by the contractor for default if, and to the extent that, the contracting organization's delay or other failure to perform its obligations is the result of *force majeure*.
- 38.4. If either party considers that any circumstances of *force majeure* have occurred which may affect performance of its obligations, it shall promptly notify the other party and the project coordinator, giving details of the nature, the probable duration and the likely effect of the circumstances. Unless otherwise directed by the project coordinator in writing, the contractor shall continue to perform its obligations under the contract as far as is reasonably practicable, and shall seek all reasonable alternative means for performance of its obligations which are not prevented by the *force majeure* event. The contractor shall not put into effect alternative means unless directed so to do by the project coordinator.
- 38.5. If the contractor incurs additional costs in complying with the project coordinator's directions or using alternative means under Article 38.4, the amount thereof shall be certified by the project coordinator.
- 38.6. If circumstances of *force majeure* have occurred and continue for a period of 180 days then, notwithstanding any extension of time for completion of the contract that the contractor may by reason thereof have been granted, either party shall be entitled to serve upon the other with 30 days' notice to terminate the contract. If, at the expiry of the period of 30 days, the situation of *force majeure* persists, the contract shall be terminated and, in consequence thereof under the law governing the contract, the parties shall be released from further performance of the contract.

Article 39 - Decease

- 39.1. Where the contractor is a natural person, the contract shall be automatically terminated if that person dies. However, the contracting organization shall examine any proposal made by the heirs or beneficiaries if they have notified their wish to continue the contract.

- 39.2. Where the contractor consists of a number of natural persons and one or more of them die, a report shall be agreed between the parties on the progress of the contract, and the contracting organization shall decide whether to terminate or continue the contract in accordance with the undertaking given by the survivors and by the heirs or beneficiaries, as the case may be.
- 39.3. In the cases provided for in Articles 39.1 and 39.2, persons offering to continue to perform the contract shall notify the contracting organization thereof within 15 days of the date of decease. The decision of the contracting organization shall be notified to those concerned within 30 days of receipt of such proposal.
- 39.4. Such persons shall be jointly and severally liable for the proper performance of the contract to the same extent as the deceased contractor. Continuation of the contract shall be subject to the rules relating to establishment of any guarantee provided for in the contract.

SETTLEMENT OF DISPUTES AND APPLICABLE LAW

Article 40 - Settlement of disputes

- 40.1. The parties shall make every effort to settle amicably any dispute relating to the contract which may arise between them.
- 40.2. Once a dispute has arisen, a party shall notify the other party of the dispute, stating its position on the dispute and any solution which it envisages, and requesting an amicable settlement. The other party shall respond to this request for amicable settlement within 30 days, stating its position on the dispute. Unless the parties agree otherwise, the maximum time period laid down for reaching an amicable settlement shall be 120 days from the date of the notification requesting such a procedure. Should a party not agree to the other party's request for amicable settlement, should a party not respond in time to that request or should no amicable settlement be reached within the maximum time period, the amicable settlement procedure is considered to have failed.
- 40.3. In the absence of an amicable settlement, a party may notify the other party requesting a settlement through conciliation by a third person. The other party shall respond to the request for conciliation within 30 days. Unless the parties agree otherwise, the maximum time period laid down for reaching a settlement through conciliation shall be 120 days from the notification requesting such a procedure. Should a party not agree to the other party's request for conciliation, should a party not respond in time to that request or should no settlement be reached within the maximum time period, the conciliation procedure is considered to have failed.
- 40.4. If the amicable settlement procedure and, if so requested, the conciliation procedure fails, each party may refer the dispute to either the decision of Georgia's national jurisdiction or arbitration, as specified in the special conditions.

Article 41 - Applicable law

- 41.1. This contract shall be governed by the law of the country of the contracting organization – Georgia.

FINAL PROVISIONS

Article 42 - Administrative sanctions

- 42.1. Where the contracting organization is entitled to impose financial penalties, it may deduct such financial penalties from any sums due to the contractor or call on the appropriate guarantee.
- 42.2. The decision to impose administrative sanctions may be published on a dedicated internet-site, explicitly naming the contractor.

Article 43 - Verifications, checks and audits by FAO

- 43.1. The contractor shall allow the FAO or its bodies to verify, by examining the documents and to make copies thereof or by means of on-the-spot checks, including checks of documents (original or copies), the implementation of the contract.

For more details please see Annex 1 and Annex 2 of the General Conditions.

Article 44 - Data protection

44.1. Processing of personal data

Any personal data included in or relating to the contract, including its implementation, shall be processed in accordance with national legislation of Georgia.

Contractor's commercial data will be processed solely for the purposes of the tender evaluation and for management and monitoring of the contract by the Contracting Organization without prejudice to possible transmission to the bodies in charge of monitoring or inspection tasks in the application of Georgian law.

Certain of this data may constitute protected "personal data" as that term is defined in the Georgia's Law on Personal Data Protection of 28 December of 2011.

<https://matsne.gov.ge/en/document/view/1561437?publication=23>

Transmission of personal data may occur to FAO, solely for the purpose of implementing relevant Project and monitoring of consequent tender procedures.

Should the contractor or any other person whose personal data is processed in relation to this contract have any queries concerning the processing of its personal data, it shall address itself to the Personal Data Protection Service.

If appropriate, more details concerning the processing of personal data may become available in the data protection notice referred to in the special conditions.

44.2. Processing of personal data by the contractor

The processing of personal data by the contractor shall meet the requirements of the general conditions and be processed solely for the purposes to implement tasks under the contract.

For the purpose of Article 6 of these general conditions, if part or all of the processing of personal data is subcontracted to a third party, the contractor shall pass on the obligations referred to in the present article in writing to those parties, including subcontractors. At the request of the contracting organization, the contractor shall provide a document providing evidence of this commitment.

ANNEXES

These annexes amplify and supplement, if necessary, the provisions governing the General Conditions. Unless the Special Conditions provide otherwise, these annexes remain fully applicable.

Annex 1- OPA Provisions on Subcontracting and Procurement

Article VI (Subcontracting) of the OPA:

- (a) *REC Caucasus as Operational Partner (OP) may not use the services of subcontractors unless permission is granted in advance by FAO in writing in any particular case¹. If FAO approves a particular subcontracting of services and activities, the OP shall ensure that OP's subcontractors do not use further tiers of subcontractors unless FAO has given prior written permission in each particular case. The use by OP of subcontractors, or of further tiers of subcontractors under this provision, shall not relieve OP of any of its obligations under the OPA and the OP shall retain full responsibility for any subcontracting arrangement. Any subcontracting arrangement shall not establish any relationship between FAO and a subcontractor, as the case may be.*
- (b) *FAO may, at its sole discretion, review the qualifications of subcontractors, the due diligence conducted by the OP before entering into agreement with any subcontractor and the monitoring measures put in place by the OP to oversee the work of subcontractors. FAO may reject any proposed subcontractor that FAO reasonably considers not qualified to perform the required obligations.*
- (c) *The OP will ensure that the relationship with any subcontractor is based on a written and signed agreement which will require each subcontractor (i) to maintain appropriate records to satisfy the record keeping requirements in Article XI of the OPA; and (ii) to provide Resource Partners, FAO and its agents access to all documentation and sites related to the to the activities carried out in connection with the OPA. Subcontracting arrangements will be accounted for in United States Dollars.*
- (d) *The OP shall ensure that all its subcontractors shall comply, mutatis mutandis, with the General Terms and Conditions laid down in Annex 1 of the OPA.*

¹ Does not apply to services of individual consultants.

Article X (Procurement) of the OPA:

1. *Procurement and delivery of goods, work and services shall be undertaken as per work plan and the Project Document.*
2. *REC Caucasus as Operational Partner (OP) will submit to FAO semi-annual procurement plans as provided in Annex 6 of the OPA for its approval, including procurement by any entity under sub-contract with the OP. Procurement plans shall be consistent with work plans.*
3. *Subject to approval by FAO, the OP will procure any goods, services and works following its own rules and regulations and any further guidance provided by FAO.*
4. *The OP confirms that its rules and regulations conform to generally accepted international standards for public procurement, including adherence to the principles of transparency, proportionality, sound financial management, equal treatment and non-discrimination, and avoidance of any conflict of interests.*
5. *The OP shall, ensure that potential candidates, tenderers or grant beneficiaries shall be excluded from the participation in a procurement or award procedure financed under the OPA, if they meet either of the criteria set out below or in further guidance provided if procurement is authorized:*
 - a. *they, or persons having powers of representation, decision making or control over them, have misrepresented information required as a condition of participation in the tender procedure or if they fail to supply relevant information;*
 - b. *they are individuals or entities listed on the Consolidated United Nations Security Council Sanctions List (<https://scsanctions.un.org/consolidated/>), or:*
 - c. *they are subject to a conflict of interests.*
6. *The OP shall inform FAO when a candidate or tenderer is in one of the situations noted above or in further guidance provided if procurement is authorized, or when a contractor financed from the present contribution has been found guilty of making false declarations or committing substantial errors, irregularities and fraud.*
7. *Without prejudice to the right of FAO or the Resource Partner to exclude an entity from future contracts and grants financed by it, financial penalties may be imposed to contractors by the OP according to its own rules and procedures.*
8. *In the event of failure to comply with the above provisions the relevant costs may be declared ineligible for funding by FAO, at the latest before acceptance of the Final Report.*
9. *Any transfer of assets from FAO to the OP at the closure of project activities will be carried out in accordance with procedures and policies of FAO and the funding Agreement with the Resource Partner.*
10. *Supplies and equipment procured by the OP in accordance with this Article for the execution of activities under the Agreement shall vest in the OP for the duration of the Project activities. The final destination of the supplies and equipment procured by the OP under the OPA will be determined by FAO. For this purpose, the OP shall submit a final inventory of equipment to FAO and a proposal for the use, disposal or*

transfer of the said equipment, within one month of the Project implementation's completion date and in any case no later than the termination of the OPA.

11. *Notwithstanding provisions of the Article X, paragraph 10, FAO may, in its discretion, decide that supplies and equipment procured by the OP, or transferred to the OP by FAO under a loan agreement, shall be transferred to an alternative use or owner. The OP will promptly comply with such decision upon receipt of a notification from FAO and with any instruction from FAO regarding the transfer of such supplies and equipment.*
12. *The OP shall be responsible for the proper custody, maintenance and care of all non-expendable equipment procured with funds transferred under the OPA. The OP shall submit an inventory of equipment to FAO, indicating description, serial number (where applicable), date of purchase, original cost, condition, location of each item. This inventory shall be attached to every quarterly financial report and final report.*
13. *The OP shall, for the protection of such equipment during implementation of the Project, obtain appropriate insurance in such amounts as may be agreed upon between the parties and incorporated in the Project budget. In cases of damage, theft or other losses of vehicles and other property made available to the OP, the OP shall provide FAO with a comprehensive report, including police report, where appropriate, and any other evidence giving full details of the events leading to the loss of the property.*
14. *The OP confirms that it has not engaged, nor will engage, in any corrupt, fraudulent, collusive or coercive practices in entering into or implementing the OPA and agrees to adhere to the UN Supplier Code of Conduct which can be viewed at <https://www.un.org/Depts/ptd/about-us/un-supplier-code-conduct>. The OP shall immediately report to FAO any allegation of corrupt, fraudulent, collusive, coercive, unethical, or obstructive practices, and shall report on the progress of measures taken by the OP to investigate and address the allegations. For the purpose of the OPA, the following definitions shall apply:*
 - (a) *corrupt practice is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;*
 - (b) *fraudulent practice is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial and/or other benefit and/or to avoid an obligation;*
 - (c) *collusive practice is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;*
 - (d) *coercive practice is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;*
 - (e) *unethical practice is any act or omission contrary to the conflict of interest and other published requirements of doing business with FAO; and*
 - (f) *obstructive practice is an act or omission that may prevent or hinder investigation by the OP, FAO, or persons or entities assigned by the OP or FAO for such task.*

Annex 2 - FAO Manual Section 701 - Guidance note

Guidance Note on Subcontracting by the Operational Partner (OP) under the Operational Partners Agreement (OPA)

(FAO Manual Section 701 - Guidance note)

NOTE: for the purposes of general conditions Operational Partner means Contracting Organization – REC Caucasus.

Subcontracting is establishing an agreement or contract by the Operational Partner with third entities for carrying out part of the work and/or responsibilities originally delegated to the OP by FAO under the signed OPA.

A **subcontractor** is an **entity** that has entered into an agreement or contract with the Operational Partner in order to carry out part of the work and/or responsibilities originally delegated to the OP by FAO under the signed OPA without the direct supervision of the FAO and without a direct contractual relationship with FAO.

FAO, through the ADG PS, has to approve any use of subcontractors by the OP. In the framework of MS701 (OPIM), subcontracting is divided into the following two categories, which require different FAO approval processes:

- a) Subcontracting of commercial services to for-profit entities
- b) Subcontracting of non-commercial project implementation services or activities to non-profit entities.

A. Subcontracting of commercial services to for-profit entities by the OP normally follows the OP's procurement procedures; including competitive selection and release of payments upon receipt of invoices and confirmation of works/services have been properly delivered.

The ADG PS can approve subcontracting of commercial services to for-profit entities on the following conditions:

1. The OP's procurement capacity¹ has been assessed as either low risk or as moderate risk with an overall low risk level assigned to the OP by the OP's capacity assessment, and appropriate risk mitigation measures² will be put in place by the FAO Budget Holder.
2. The proposed subcontracting was approved by the Lead Technical Officer as part of the OP's procurement and subcontracting plan.

Where the OP's procurement capacity was assessed as moderate risk with an overall moderate risk level, limitations will apply in line with [MS 701.6.10.6](#). Where the OP's procurement capacity was assessed as high or significant risk, no subcontracting of commercial services to for-profit entities is allowed.

¹ Please refer to the procurement area in the standard OP's capacity assessment or standard HACT/micro-assessment if the assessment is conducted by other UN agencies.

² Please refer to the recommendation of the OP's capacity assessment for the procurement area and the OPA requirements.

B. Subcontracting of non-commercial project implementation services or activities to non-profit entities

The ADG PS can approve subcontracting of non-commercial project implementation services to non-profit entities by the OP on the following conditions:

1. The OP's capacity for subcontracting of non-commercial services/activities to non-profit entities¹ has been assessed as either low risk, or as moderate risk in combination with an overall low risk level, and appropriate risk mitigation measures will be put in place by the FAO Budget Holder and the OP.
2. The proposed subcontracting was approved by the Lead Technical Officer as part of the OP's procurement and subcontracting plan.
3. The proposed non-state actor subcontractors are cleared for reputational risks by the Partnership Unit (PSD) in HQ (the clearance is requested upon selection of the subcontractors by the OP).
4. The OP will consolidate subcontractors' financial and narrative reports with its own when reporting to FAO. Financial reports will only include expenditures that have been actually incurred by subcontractors rather than the amounts transferred (e.g. as advance payments) to the subcontractors by the OP.
5. The OP's relationship with its subcontractor is based on a written and signed agreement or contract which require each subcontractor (i) to maintain appropriate records as per the record keeping requirements in the OPA; and (ii) to provide the OP, Resource Partners, FAO and its agents access to all documentation, accounts and sites related to the to the activities and transactions carried out with funds received under the OPA (iii) to comply with the General Terms and Conditions and other relevant clauses of the OPA.
6. The OP can subcontract up to maximum of 30 percent of the budget of the OPA if the above conditions are met. The approved subcontracting is limited to up to maximum of 5 subcontracts to be managed by the OP with individual subcontract not exceeding USD 400,000.

Where the OP's capacity for subcontracting of non-commercial project implementation services or activities to non-profit entities was not assessed or assessed as moderate risk with an overall moderate risk level assigned to the OP, subcontracting of non-commercial project implementation services to non-profit entities by the OP can be approved only on the following conditions:

1. The proposed subcontracting was approved by the Lead Technical Officer as part of the procurement and subcontracting plan.
2. The proposed non-state actor subcontractors are cleared for reputational risks by the Partnership Unit (PSD) in HQ (the clearance is requested upon selection of the subcontractors by the OP).
3. The OP will consolidate subcontractors' financial and narrative reports with its own when reporting to FAO. Financial reports will only include expenditures that have been actually incurred by subcontractors rather than the amounts transferred (e.g. as advance payments) to the subcontractors by the OP.

¹ Please refer to the area "subcontracting of non-commercial project implementation services/activities to non-profit entities" in the standard OP capacity assessment as used by FAO. The standard HACT/micro-assessment does not include the assessment of this area.

4. The OP's relationship with its subcontractor is based on a written and signed agreement or contract which require each subcontractor (i) to maintain appropriate records as per the record keeping requirements in the OPA; (ii) to provide the OP, Resource Partners, FAO and its agents access to all documentation, accounts and sites related to the to the activities and transactions carried out with funds received under the OPA; and (iii) to comply with the General Terms and Conditions and other relevant clauses of the OPA.
5. The OP can only subcontract up to maximum of 10 percent of the budget of the OPA. The approved subcontracting is limited to up to maximum of 2 subcontracts to be managed by the OP with individual subcontract not exceeding USD 100,000.

Where the OP's subcontracting capacity was assessed as high or significant risk, no subcontracting of non- commercial project implementation services/activities to nonprofit entities is allowed.

The use by OP of subcontractors shall not relieve the OP of any of its obligations under the OPA and the OP will retain full responsibility for any subcontracting arrangement. The OPs should be reminded of their responsibility to ensure that all FAO requirements have been cascaded down the delivery chain.

ANNEX II - TECHNICAL SPECIFICATION

General Instructions for Technical Specifications

1. General Instructions

Description of the work

- 1.1.1 The subject of the contract is the manufacture, delivery, installation and warranty period by the Contractor in 2 Lots of the following goods:

**LOT 1 - Supply of Fencing Material
and
LOT 2 - Installation of Fencing Material**

and – for the lot 1 within 5 calendar months and for lot 2 within 7 calendar months after the award of the last contract.

- 1.1.2 The tenderer should ensure that the functions and features of the supplies and installations (fences) meet the listed minimum conditions.

1.2. Technical Requirements

- 1.2.1. As appropriate all the supplies in **Lot 1 and Lot 2** shall be provided complete with the necessary accessories and/or parts such as to ensure that the unit is capable of operating to the required technical and quality specifications. All Technical Specifications provided for the various supplies are minimum requirements, Contractors are expected to offer current models which may exceed the requirements or have additional features not specified.
- 1.2.2. The supplies are to be delivered in accordance with the notes in the Technical Specifications.
- 1.2.3. (not applicable)
- 1.2.4. The supplies provided should not be hybrids and should be a registered brand name.
- 1.2.5. (not applicable)
- 1.2.6. All supplies must be suitable for operation in the climatic conditions in Georgia.
- 1.2.7. All supplies conforming to the necessary regulation/norm and/or equivalent as detailed in the individual Technical Specifications must carry a suitable badge/mark of conformity, permanently fixed to the item.
- 1.2.8. Wherever a product name is mentioned in the Technical Specifications it is understood to mean that product or its direct equivalent.
- 1.2.9 If applicable, the Contracting Organization may be contacted for stickers with the project logos to be put on the supplies. Trademarks or brand logo should not be fixed and/or placed in a way to be seen easily and therefore be used as a company advertisement on the procured materials equipment.
- 1.2.10 Tenderers may also comply with the GEF/FAO/REC Caucasus visibility guidelines.

1.3. Warranty and product support services

The Contractor will be expected to provide a warranty for all the supplies and installed fence with the Contracting Organization for **3 months** from the date of provisional acceptance, which must cover the following items:

- 1.3.1. Warranty as defined in Article 32 of the General Conditions. The Contractor shall provide to the Contracting Organization a free warranty for quality and performance of the supplies for each item for a period of **3 months**, following the provisional acceptance until final acceptance. The Contractor shall remain fully responsible for all warranty obligations even if some of the supplies are obtained from a third party.
- 1.3.2. (not applicable)
- 1.3.3 If the Contractor appoints a local representative for his company, then the Contracting Organization expects that representative to provide a professional service of maintenance. The Contractor will remain responsible for the level of service which the representative delivers and will be answerable to the Contracting Organization in the event of any complaint.
- 1.3.4. (not applicable)
- 1.3.5. The Contracting Organization expects the Contractor to ensure that the representatives of local communities are involved as appropriate on installations of all items supplied under the Contract.
- 1.3.6. Servicing and Response Time - **Not applicable**
- 1.3.7. Repair or replace faulty parts or modules.
- 1.3.8. Availability of Spare Parts - **Not applicable**
- 1.3.9 The contractor must prove evidence that facilities for warranty offered are available for supplies offered in the delivery point.

1.4 Training of User Personnel

Not applicable.

1.5 Technical documents to be included in the supply:

The required supplies, particularly but not exclusively, shall be provided with an original set of operating and maintenance manuals and user guides in Georgian and/or English, wherever necessary.

The following documents will be required from the Contractors for the provisional acceptance of each item:

- Certificate of origin showing the origin of the supplies.
- Report of final tests in the factory (Quality Control document) may be requested, where applicable.
- Technical dossiers supporting technical standards and/or equivalent marking may be requested, where applicable.
- Warranty contract of the manufacturer, where applicable

- Operating licences, where applicable.

The supplier must be aware that no provisional acceptance can be given without the presence of the complete set of documents

1.6 Detailed Technical Data and Specification for the Supply and Installation of Fencing Material

ANNEX III - TECHNICAL OFFER

Contract title : Supply and Installation of Fencing Material in Georgia

p 1 /...

Publication reference : 027RECC/G/FAO-[BL-5650-03]-No.01-2022

**Column 1-2 should be completed by the Contracting Organization
Column 3-4 should be completed by the tenderer
Column 5 is reserved for the Selection Committee**

Annex III - the Contractor's technical offer

The tenderers are requested to complete the template on the next pages:

- Column 2 is completed by the Contracting Organization shows the required specifications (not to be modified by the tenderer),
- Column 3 is to be filled in by the tenderer and must detail what is offered (for example the words “compliant” or “yes” are not sufficient)
- Column 4 allows the tenderer to make comments on its proposed supply and to make eventual references to the documentation

The eventual documentation supplied should clearly indicate (highlight, mark) the models offered and the options included, if any, so that the evaluators can see the exact configuration. Offers that do not permit to identify precisely the models and the specifications may be rejected by the Selection Committee.

The offer must be clear enough to allow the evaluators to make an easy comparison between the requested specifications and the offered specifications.

Technical Specification / ტექნიკური სპეციფიკაცია

Ref. Number / ნომერი: 027RECC/G/FAO-[BL-5650-03]-No.01-2022

Note / შენიშვნა: could be completed in English or Georgian / შეიძლება შეივსოს როგორც ინგლისურ, ასევე ქართულ ენებზე

| | Specifications Required მოთხოვნილი სპეციფიკაცია | Specifications Offered (incl. brand/model) ტენდერში მონაწილის მიერ შემოთავაზებული სპეციფიკაცია (სატენდერო წინადადება) | Notes, remarks, ref. to documentation ტენდერში მონაწილის დამატებითი შენიშვნები და/ან განმარტებები მასსიათებლების (მწარმოებელი ქვეყნის მითითების ჩათვლით) შესახებ | Selection Committee's Notes სატენდერო კომიტეტის აღნიშვნები |
|---------------|---|--|---|---|
| Code კოდი | LOT 1 - SUPPLY OF FENCING MATERIALS ლოტი 1 - შესაღობი მასალების მიწოდება | | | |
| 5650.03-01.01 | BARBED WIRE მავთულხლართი | | | |
| a | Type of Barbed Wire მავთულხლართის ტიპი | Barbed Non-Glidden Type ეკალმავთულხლართი არაგალვანიზირებული (=არაუჟანგავი) | | |

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| b | Type of Manufacturing ფორმა/კონსტრუქცია | Barbedwire formed by twisting together two line wires, one or both containing the barbs (with 2-point barb or 4-point barb) ორმაგი ხვეული მავთული ორკბილა ან ოთხკბილა კბილებით | | | |
| c | Direction of Twisting ხვეულის მიმართულება | The direction of twisting may be in one direction or alternatively in left or right directions. ხვეულის მიმართულება მარჯვენა ან მარცხენა | | | |
| d | Material Preferably მასალა | Regular non-galvanized - made of mild steel wire სტანდარტული არაგალვანიზირებული (თერმული დამუშავების გარეშე) რბილი (დაბალნახშირბადიანი/ნახშირბადმცირე) ფოლადისგან დამზადებული | | | |
| e | Barbed Wire Weight მასა | Not less than 1.0 kg per 15 meters of barbedwire (≥ 67 g/m), or or 13-14 kg per 250 meters of barbedwire (≥ 57 g/m) არანაკლებ 1.0 კგ ყოველ 15 მეტრზე (≥ 67 g/m), ან ალტერნატიულად არანაკლებ 13-14 კგ 250 მეტრზე (≥ 57 g/m) | | | |
| f | Line Wire Specific Diameter დიამეტრი | Up to 1.7 mm (1.70 x 1.70) 1.7 მმ-დე (1.70 x 1.70) | | | |

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| g | Pitch of Barbs (Distance between two Barbs) კბილანებს შორის მანძილი | Not less than 10 cm არანაკლებ 10 სმ | | | |
| h | Freedom from Defects დეფექტები | Without defects დეფექტების გარეშე | | | |
| j | Markingმარკირება | Every reel of barbed wire shall be marked legibly with the name of the manufacturer, the type of barbed wire, the diameters of the line and point wires, barb spacing and length and/or mass of the reel.თითოეული რულონის/ხვეულის მარკირება უნდა შეიცავდეს მწარმოებლის სახელს, ადგილწარმოშობის ქვეყანას, მავთულხლართის ტიპს, მავთულხლართის დიამეტრს, სიგრძეს და მასას. | | | |
| 5650.03-01.02 | LINE WIRE FOR CONSOLIDATION OF HORIZONTAL AND DIAGONAL LINES ჩვეულებრივი მავთული (არამავთულხლართი) - გადაბმის ადგილებში მავთულხლართის დასამაგრებლად | | | | |
| k | Type ტიპი | Non-galvanized or Galvanized Line Wire ჩვეულებრივი (ხაზობრივი) მავთული - გალვანიზირებული ან არაგალვანიზირებული | | | |

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| I | Material მასალა | Mild Steel რბილი (დაბალნახშირბადიანი/ ნახშირბადმცირე) ფოლადისგან დამზადებული | | | |
| m | Weight მასა | Not Less than 80 g/m არანაკლებ 80 g/m | | | |
| n | Specified Diameter დიამეტრი | Not Less than 1.8 mm (1.80 x 1.80) არანაკლებ 1.8 მმ (1.80 x 1.80) | | | |
| 5650.03- 01.03 | FENCE POLES ღობის ბოძები | | | | |
| o | Material მასალა | Metal - Iron (without Protective Chromate/Zinc Conversion Coating) galvanized or non-galvanized რკინის (დამცავი ქრომის/თუთიის ფენის გარეშე) გალვანიზებული ან არაგალვანიზებული | | | |
| p | Form ფორმა | Round or Flat or Rectangular or other forms მრგვალი, ან ბრტყელი, ან სწორკუთხოვანი ან ნებისმიერი სხვა ფორმის | | | |

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| q | Size (diameter or width and thickness) დიამეტრი (ან სიგანე და სისქე) | Size (based on a form) has to be offered by a tenderer პარამეტრები (დიამეტრი, სიგანე, სისქე) შემოთავაზებული უნდა იყოს ტენდერში მონაწილის მიერ - შემოთავაზებული ბოძის ფორმის მიხედვით | | | |
| r | Height სიმაღლე | 1.8 m - 2.3 m 1.8 მეტრი - 2.3 მეტრი | | | |
| | | | | | |
| 5650.03-01.04 | GATES ჭიმვრები | | | | |
| s | Main Material მასალა | Wooden - made of hardwood species (Acacia = <i>Robinia pseudoacacia</i>) without antiseptic, thermal or any other type of treatment or other species but with antiseptic, thermal or any other type of treatment alternatively [has to be offered by a tenderer]ის მასალა - დამზადებული აკაციის/ცრუაკაციის (Acacia = <i>Robinia pseudoacacia</i>) მერქნისგან - ანტისეპტიკებით, თერმული ან სხვაგვარი დამუშავების გარეშე, ან ალტერნატიულად მზადებული სხვა სახეობის მერქნისგან - მაგრამ ანტისეპტიკებით, თერმული ან სხვაგვარად დამუშავებული | | | |

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| t | Parameters პარამეტრები | Sizes (based on material) has to be offered by a tenderer შემოთავაზებული უნდა იყოს ტენდერში მონაწილის მიერ - შემოთავაზებული მასალის სახეობის მიხედვით | | | |
| u | Other Materials for Gates (e.g., Metal Loops) სხვა საჭირო მასალები ჭიშკრებისთვის (მაგ., მეტალის საკიდები/ანჯამები) | Has to be offered by a tenderer შემოთავაზებული უნდა იყოს ტენდერში მონაწილის მიერ - შემოთავაზებული მასალის სახეობის მიხედვით | | | |
| 5650.03-01.05 | MATERIALS FOR FIXING THE POLES ბოძების მიწაში დასაფიქსირებელი მასალები | | | | |
| v | Cement ცემენტი | Brand ცემენტის მარკა და ბრენდი | | | |
| w | Cubic meters of sand ქვიშა/ხრეში | Regular ჩვეულებრივი | | | |
| | | | | | |
| | LOT 2 - INSTALLATION OF FENCING MATERIALS ლოტი 2 - შესაღობი მასალების დამონტაჟება (შედობვა) | | | | |
| 5650.03-01.06 | INSTALLATION OF FENCING MATERIAL შესაღობი მასალების დამონტაჟება (შედობვა) | | | | |
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| x | Fence Design Requirements მოთხოვნები დოზის კონსტრუქციისადმი | - | - | | |
| y | Distance between poles მანძილი ბოძებს შორის | 2.5 m 2.5 მ | | | |
| z | Horizontal Barbwire Lines ჰორიზონტალური მავთულხლართის რიგი | 5 Horizontal Lines (distance between lines - 30-35 cm) 5 ჰორიზონტალური რიგი (რიგებს შორის დაშორება 30-35 სმ) | | | |
| z.a | Diagonal barbwire lines between poles დიაგონალური მავთულხლართის რიგები ბოძებს შორის | 2 Diagonal Lines 2 დიაგონალური რიგი | | | |
| z.b | Height of the fence above ground level დოზის სიმაღლე მიწის ზედაპირის ზემოთ | 150 -180 cm 150 -180 სმ | | | |
| z.c | Height of the poles in ground ბოძების სიმაღლე მიწის ზედაპირის ქვემოთ | 30 - 60 cm 30 - 60 სმ | | | |

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| z.d | Gates ჭიშკრები | at least 90 gates for all 3 sites (of which in Ganaxleba – 40, in Naniani – 26 and in Sno – 24). Gate opening size = Distance between the two gate posts at least 3 m სულ 90 ჭიშკარი 3 საპილოტე ნაკვეთზე (მათ შორის 40 განახლების, 26 ნანიანის და 24 სნოს საპილოტე ნაკვეთებზე). ჭიშკრის სიგანე მინიმუმ 3 მეტრი. | | | |
| z.e | Other სხვა | installation of fence poles with cement/concrete and sealing of each pole from the top to prevent water penetration is required ღობის ბოძების ინსტალაციის დროს მათი მიწაში ფიქსაცია ცემენტისა და ქვიშა-ხრეშის/ქვა-ღორღის გამოყენებით | | | |
| z.f | Method of Installation of barbed wire მავთულხლართის დამაგრების მეთოდი | as appropriate საჭიროების მიხედვით | | | |
| z.g | Social Assets სოციალური სარგებელი | Involvement of local community members from villages of Ganaxhleba, Naniani and Sno in fence installation work to be an asset სოფლების განახლების, ნანიანისა და სნოს ადგილობრივ მცხოვრებთა დასაქმება შედობვის სამუშაოებში (სასურველია დასაქმებულითა სავარაუდო რაოდენობის მითითება | | | |

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| | | სოფლების მიხედვით) | | | |
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Name and first name: <.....>

Duly authorised to sign this tender on behalf of:

<.....>

Place and date: <.....>

Stamp of the firm/company:

ANNEX IV - BUDGET BREAKDOWN (MODEL FINANCIAL OFFER) **FOR LOT NO. 1 AND LOT NO. 2**

PUBLICATION REFERENCE: 027RECC/G/FAO-[BL-5650-03]-No.01-2022

NAME OF TENDERER: [.....]

| | A | B | C | D | E | F | G |
|--|------------------------------------|------------------|---|--------------|----------|---------------------------|----------------------------|
| n/h | LOT 1 | | | | | | |
| | Pasture Pilot Site Name and Number | Item Code Number | Specifications Offered (incl. Brand/Model) | Unit | Quantity | Unit Cost incl. VAT (GEL) | Total Cost incl. VAT (GEL) |
| 1 | Ganakhleba N1 | 5650.03-01.01 | Barbed Wire | Meters | 131,500 | | |
| | | 5650.03-01.02 | Line Wire for consolidation of Horizontal Barbed Wire Lines with Diagonal Barbed Wire Lines | Meters | | | |
| | | 5650.03-01.03 | Fence Poles | Nos. | 7,500 | | |
| | | 5650.03-01.04 | Gates | Nos. | 40 | | |
| | | 5650.03-01.05v | Materials for Fixing the Poles (Cement) | Kg | 5,100 | | |
| | | 5650.03-01.05w | Materials for Fixing the Poles (Sand) | Cubic Meters | 26 | | |
| | | | Sum Material Price | | | | |
| | | | Freight Charges - Lumpsum | | | | |
| Total LOT 1 for Ganakhleba N1 (Sum Material Price + Freight Charges) | | | | | | | |

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|--|-------------|----------------|---|--------------|--------|--|
| 2 | Naniani N2a | 5650.03-01.01 | Barbed Wire | Meters | 57,900 | |
| | | 5650.03-01.02 | Line Wire for consolidation of Horizontal Barbed Wire Lines with Diagonal Barbed Wire Lines | Meters | | |
| | | 5650.03-01.03 | Fence Poles | Nos. | 3,300 | |
| | | 5650.03-01.04 | Gates | Nos. | 13 | |
| | | 5650.03-01.05v | Materials for Fixing the Poles (Cement) | Kg | 2,250 | |
| | | 5650.03-01.05w | Materials for Fixing the Poles (Sand) | Cubic Meters | 11 | |
| | | | Sum Material Price | | | |
| | | | Freight Charges - Lumpsum | | | |
| Total LOT 1 for Naniani N2a (Sum Material Price + Freight Charges) | | | | | | |
| 3 | Naniani N2b | 5650.03-01.01 | Barbed Wire | Meters | 36,700 | |
| | | 5650.03-01.02 | Line Wire for consolidation of Horizontal Barbed Wire Lines with Diagonal Barbed Wire Lines | Meters | | |
| | | 5650.03-01.03 | Fence Poles | Nos. | 2,100 | |
| | | 5650.03-01.04 | Gates | Nos. | 13 | |
| | | 5650.03-01.05v | Materials for Fixing the Poles (Cement) | Kg | 1,425 | |
| | | 5650.03-01.05w | Materials for Fixing the Poles (Sand) | Cubic Meters | 7 | |
| | | | Sum Material Price | | | |
| | | | Freight Charges - Lumpsum | | | |
| Total LOT 1 for Naniani N2b (Sum Material Price + Freight Charges) | | | | | | |

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|--|---------|----------------|---|--------------|--------|--|
| 4 | Sno N3a | 5650.03-01.01 | Barbed Wire | Meters | 28,800 | |
| | | 5650.03-01.02 | Line Wire for consolidation of Horizontal Barbed Wire Lines with Diagonal Barbed Wire Lines | Meters | | |
| | | 5650.03-01.03 | Fence Poles | Nos. | 1,650 | |
| | | 5650.03-01.04 | Gates | Nos. | 12 | |
| | | 5650.03-01.05v | Materials for Fixing the Poles (Cement) | Kg | 1,125 | |
| | | 5650.03-01.05w | Materials for Fixing the Poles (Sand) | Cubic Meters | 6 | |
| | | | Sum Material Price | | | |
| | | | Freight Charges - Lumpsum | | | |
| Total LOT 1 for Sno N3a (Sum Material Price + Freight Charges) | | | | | | |
| 5 | Sno N3b | 5650.03-01.01 | Barbed Wire | Meters | 57,800 | |
| | | 5650.03-01.02 | Line Wire for consolidation of Horizontal Barbed Wire Lines with Diagonal Barbed Wire Lines | Meters | | |
| | | 5650.03-01.03 | Fence Poles | Nos. | 3,300 | |
| | | 5650.03-01.04 | Gates | Nos. | 12 | |
| | | 5650.03-01.05v | Materials for Fixing the Poles (Cement) | Kg | 2,250 | |
| | | 5650.03-01.05w | Materials for Fixing the Poles (Sand) | Cubic Meters | 11 | |
| | | | Sum Material Price | | | |
| | | | Freight Charges - Lumpsum | | | |
| Total LOT 1 for Sno N3b (Sum Material Price + Freight Charges) | | | | | | |

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| All Pasture Pilot Sites | 5650.03-01.01 | Barbed Wire | Meters | 312,700 | |
| | 5650.03-01.02 | Line Wire for consolidation of Horizontal Barbed Wire Lines with Diagonal Barbed Wire Lines | Meters | 0 | |
| | 5650.03-01.03 | Fence Poles | Nos. | 17,850 | |
| | 5650.03-01.04 | Gates | Nos. | 90 | |
| | 5650.03-01.05v | Materials for Fixing the Poles (Cement) | Kg | 12,150 | |
| | 5650.03-01.05w | Materials for Fixing the Poles (Sand) | Cubic Meters | 61 | |
| | | Sum Material Price | | | |
| | | Freight Charges - Lumpsum | | | |
| | Total for All Sites LOT 1 (Sum Material Prices + Freight Charges) | | | | |
| TOTAL LOT 1 | | | | | |
| Discount (if any) | | | | | |
| OVERAL PRICE LOT 1 [TOTAL LOT 1 + Discount (if any)] | | | | | |
| | | | | | |
| n/h | LOT 2 | | | | |

| | | | | | | | |
|--|------------------------------|---------------|-------------------------------|---|--|--|------|
| 1 | Ganakhleba N1 | 5650.03-01.06 | Installation of Fence Lumpsum | 16,920 meters of estimated Fence Length | | | |
| 2 | Naniani N2a | 5650.03-01.06 | Installation of Fence Lumpsum | 7,447 meters of estimated Fence Length | | | 0.00 |
| 3 | Naniani N2b | 5650.03-01.06 | Installation of Fence Lumpsum | 4,719 meters of estimated Fence Length | | | 0.00 |
| 4 | Sno N3a | 5650.03-01.06 | Installation of Fence Lumpsum | 3,707 meters of estimated Fence Length | | | 0.00 |
| 5 | Sno N3b | 5650.03-01.06 | Installation of Fence Lumpsum | 7,428 meters of estimated Fence Length | | | 0.00 |
| | Total estimated Fence Length | | | 40,221 meters | | | |
| TOTAL LOT 2 | | | | | | | |
| Discount (if any) | | | | | | | |
| OVERAL PRICE LOT 2 [TOTAL LOT 2 + Discount (if any)] | | | | | | | |
| | | | | | | | 0.00 |
| OVERAL PRICE FOR LOT 1 and LOT 2 [OVERAL PRICE LOT 1 + OVERAL PRICE LOT 2] | | | | | | | |
| 0.00 | | | | | | | |

Name and first name: <[.....]>

Duly authorised to sign this tender on behalf of: <.....>

Place and date: <.....>]

Stamp of the firm/company:

C. FARTHER INFORMATION

C. ADMINISTRATIVE COMPLIANCE GRID OF THE CONTRACTING ORGANIZATION (REC Caucasus)

| Contract title : | Supply and Installation of Fencing Materials | Publication reference : | 027RECC/G/FAO-[BL-5650-03]- No.01-2022 |
|------------------|--|-------------------------|---|
|------------------|--|-------------------------|---|

| Tender envelope number | Name of Tenderer | Is tenderer (consortium) nationality ¹ eligible? (Y/N) | Is documentation complete? (Y/N) | Is language as required? (Y/N) | Is tender submission form complete? (Y/N) | Is tenderer's declaration signed (by all consortium members if a consortium)? (Yes/No/ Not Applicable) | Other administrative requirements of the tender dossier? (Yes/No/Not applicable) | Overall decision? (Accept / Reject) |
|------------------------|------------------|---|----------------------------------|--------------------------------|---|--|--|-------------------------------------|
| 1 | | | | | | | | |
| 2 | | | | | | | | |
| 3 | | | | | | | | |

| | |
|-------------------------|--|
| Chairperson's name | |
| Chairperson's signature | |
| Date | |

¹ If the tender is submitted by a consortium, the nationalities of **all** the consortium members will be eligible

C. EVALUATION GRID OF THE CONTRACTING ORGANIZATION (REC Caucasus)

| Contract title : | Supply and Installation of Fencing Materials | Publication reference : | 027RECC/G/FAO-[BL-5650-03]- No.01 -2022 |
|------------------|--|-------------------------|--|
|------------------|--|-------------------------|--|

| Tender envelope No | Name of Tenderer | Rules of origin respected? (Y/N) | Economic & financial capacity? (OK/a/b/...) | Professional capacity? (OK/a/b/...) | Technical capacity? (OK/a/b/...) | Compliance with ¹ technical specifications? (OK/a/b/...) | Ancillary services as required? (OK/a/b/.../NA) | Subcontracting statement in accordance with art 6 of the General Conditions? (Y/N) | Other technical requirements in tender dossier? (Yes/No/Not applicable) | Technically compliant? (Y/N) | Notes: |
|--------------------|------------------|-------------------------------------|---|-------------------------------------|----------------------------------|---|---|--|---|------------------------------|--------|
| 1 | | | | | | | | | | | |
| 2 | | | | | | | | | | | |
| 3 | | | | | | | | | | | |

| | |
|------------------------------|--|
| Evaluator's name & signature | |
| Evaluator's name & signature | |
| Evaluator's name & signature | |
| Date | |

¹ The selection criteria, in the previous section of this form, have to be met before the technical requirements are assessed.

D. TENDER FORM FOR A SUPPLY CONTRACT

Publication reference: 027RECC/G/FAO-[BL-5650-03]-No.01-2022

Title of contract: Supply and Installation of Fencing Material in Georgia

<Place and date>

A: Contracting Organization : REC Caucasus, Badri Shoshitaishvili Str. 13, 0179 Tbilisi, Georgia

One signed form must be supplied (for each lot, if the tender procedure is divided into lots or for both lots together), together with the number of copies specified in the Instruction to Tenderers. The form must include a signed declaration using the annexed format from each legal entity making the application. Any additional documentation (brochure, letter, etc) sent with the form will not be taken into consideration. Applications being submitted by a consortium (ie, either a permanent, legally-established grouping or a grouping which has been constituted informally for a specific tender procedure) must follow the instructions applicable to the consortium leader and its members. The attachments to this submission form (i.e. declarations, statements, proofs) may be in original or copy. If copies are submitted, the originals must be dispatched to the Contracting Organization upon request. For economical and ecological reasons, we strongly recommend that you submit your files on paper-based materials (no plastic folder or divider). We also suggest you use double-sided print-outs as much as possible.

An economic operator may, where appropriate and for a particular contract, rely on the capacities of other entities, regardless of the legal nature of the links which it has with them. It must in that case prove to the Contracting Organization that it will have at its disposal the resources necessary for performance of the contract, for example by producing an undertaking on the part of those entities to place those resources at its disposal. Such entities, for instance the parent company of the economic operator, must respect the same rules of eligibility and notably that of nationality, as the economic operator.

1 SUBMITTED BY

| | Name(s) of tenderer(s) | Nationality |
|---------|------------------------|-------------|
| Leader | | |
| Member | | |
| Etc ... | | |

2 CONTACT PERSON (for this tender)

| | |
|------------------|--|
| Name | |
| Address | |
| Telephone | |
| Fax | |
| E-mail | |

3 ECONOMIC AND FINANCIAL CAPACITY

Please complete the following table of financial data based on your annual accounts and your latest projections. If annual accounts are not yet available for this year or last year, please provide your latest estimates, clearly identifying estimated figures in italics. Figures in all columns must be on the same basis to allow a direct, year-on-year comparison to be made (or, if the basis has changed, an explanation of the change must be provided as a footnote to the table). Any clarification or explanation which is judged necessary may also be provided.

| Financial data | 2 years before last year (2019) | Year before last year (2020) | Last year (2021) | Average for 3 years (2019- 2020- 2021) | This year (2022) |
|--|--|---|---------------------------------|---|---------------------------------|
| | GEL | GEL | GEL | GEL | GEL |
| Annual turnover, excluding this contract | | | | | |

4 STAFF RESOURCES

Please provide the following personnel statistics for the current year and the two previous years.

| Average manpower | Year before last | | Last year | | This year | |
|--|------------------|---|-----------|---|-----------|---|
| | Overall | Total for fields related to this contract | Overall | Total for fields related to this contract | Overall | Total for fields related to this contract |
| Permanent staff | | | | | | |
| Other staff | | | | | | |
| Total | | | | | | |
| Permanent staff as a proportion of total staff (%) | % | % | % | % | % | % |

5 FIELDS OF SPECIALISATION

Please use the table below whose objective is to indicate the **relevant specialisms related to this contract** of each legal entity making this tender, by using the names of these specialisms as the row headings and the name of the legal entity as the column headings. Show the relevant specialism(s) of each legal entity by placing a tick (✓) in the box corresponding to those specialisms in which the legal entity has significant experience. [**Maximum 10 specialisms**]

| | Leader | Member 2 | Member 3 | Etc ... |
|-----------------------|--------|----------|----------|---------|
| Relevant specialism 1 | | | | |
| Relevant specialism 2 | | | | |
| Etc ... | | | | |

6 TENDERER'S DECLARATION(S)

As part of their tender, each legal entity identified under point 1 of this form, including every consortium member, must submit a signed declaration using this format. The declaration may be in original or in copy. If copies are submitted the originals must be dispatched to the Contracting Organization upon request.

In response to your letter of invitation to tender for the above contract, we, the undersigned, hereby declare that:

1 We have examined and accept in full the content of the dossier for invitation to tender No. **027RECC/G/FAO-[BL-5650-03]-No.01-2022**. We hereby accept its provisions in their entirety, without reservation or restriction.

2 We offer to deliver, in accordance with the terms of the tender dossier and the conditions and time limits laid down, without reserve or restriction:

Lot 1 – Supply of Fencing Material
Lot 2 – Installation of Fencing Materials

3 The price of our tender with VAT is:

Lot No 1:
Lot No 2:

4 We will grant a discount of ... %.

5 This tender is valid for a period of 90 days from the final date for submission of tenders.

6 If our tender is accepted, we undertake to provide a performance guarantee as required by Article 11 of the Special Conditions. Not applicable.

7 Our firm/company [*and our subcontractors*] has/have the following nationality:
Resident of Georgia

8 We are making this tender in our own right [*if consortium: as member in the consortium led by < name of the leader / ourselves >*]. We confirm that we are not tendering for the same contract in any other form. [We confirm, as a member in the consortium, that all members are jointly and severally liable by law for the execution of the contract, that the lead member is authorised to bind, and receive instructions for and on behalf of, each member, that the execution of the contract, including payments, is the responsibility of the lead member, and that all members in the joint venture/consortium are bound to remain in the joint venture/consortium for the entire period of the contract's execution].

9 We are not in any of the situations excluding us from participating in contracts which are listed section 2.3.3 of the Practical Guide to contract procedure for EU external actions. In the event that our tender is successful, we undertake, if required, to provide the proof usual under the law of the country in which we are established that we do not fall into these exclusion situations. The date on the evidence or documents provided will be no earlier than 1 year before the date of

submission of the tender and, in addition, we will provide a statement that our situation has not altered in the period which has elapsed since the evidence in question was drawn up.

We also undertake, if required, to provide evidence of the financial and economic standing and the technical and professional capacity according to the selection criteria for this call for tender specified in the procurement notice, point 16 and other. documentary proofs required

We also understand that if we fail to provide the proof/evidence required, within 15 calendar days after receiving the notification of award, or if the information provided is proved false, the award may be considered null and void.

- 10 We agree to abide by the ethics clauses in Clause 23 of the instructions to tenderers and, in particular, have no conflict of interests or any equivalent relation in that respect with other tenderers or other parties in the tender procedure at the time of the submission of this application.
- 11 We will inform the Contracting Organization immediately if there is any change in the above circumstances at any stage during the implementation of the tasks. We also fully recognise and accept that any inaccurate or incomplete information deliberately provided in this application may result in our exclusion from this contract.
- 12 We note that the Contracting Organization is not bound to proceed with this invitation to tender and that it reserves the right to award only part of the contract. It will incur no liability towards us should it do so.
- 13 We fully recognise and accept that we may be excluded from tender procedures and contract. Furthermore, we acknowledge that, should we made false declarations, committed substantial errors, irregularities or fraud.
- 14 We are aware that our personal data may be transferred to the Contracting Organization's internal audit services for the purposes of this tender/contract.

Yours faithfully

Name and first name: <[.....]>

Duly authorised to sign this tender on behalf of:

<.....>

Place and date: <.....>]

Stamp of the firm/company:

This tender includes the following annexes:

ANNEX V - FORMS

Business Registration Extract on entity (*or entities if consortium*) from the ***Registry of Entrepreneurs and Non-entrepreneurial (Non-commercial) Legal Entities*** – updated within the period of November, 2022 – issued after announcement date of this call by the National Agency of Public Registry (NAPR).

www.napr.gov.ge

Certificate form from the ***Register of Debtors*** on entity (*or entities if consortium*) – issued after announcement date of this call by the National Bureau of Enforcement (NBE).
www.nbe.gov.ge

The details of the bank account issued by a tenderer's service bank operating in Georgia into which payments should be made [***Bank Details of Account in National Currency***].

Income and Expenditure Statements of the operation of the Tenderer for the past three (3) financial years – 2019-2020-2021 in National Currency - GEL [***Statement about Account Turnover for 2019-2020-2021 issued by a tenderer's service bank (or banks) operating in Georgia***].

A list of contracts completed in the past three (3) years [2019-2020-2021] must be provided at the time of tendering along with the references to the evidences of successful completion.