

CONTRACT NO. _____

For works on the reconstruction and rehabilitation of _____ housing units of refugees, displaced persons and returnees, as a "turnkey" product, in the Refugees Housing Rehabilitation Project funded under the Loan Agreement concluded with the Saudi Fund for Development, in the municipality of _____

This Contract has been concluded between:

1. BOSNIA AND HERZEGOVINA, MINISTRY OF HUMAN RIGHTS AND REFUGEES, based in Sarajevo, at Trg BiH 1, represented by Minister Damir Ljubić M. Sc, as Contracting Authority in charge of monitoring the entire reconstruction and rehabilitation of housing units of returnees (hereafter: MHRR) ,

2. BOSNIA AND HERZEGOVINA, FUND FOR RETURN, based in Sarajevo, at Ulica Džemala Bijedića 39/II, represented by Mladen Božović, Director General, as Contracting Authority in charge of financial transactions for the execution of the Contract (hereinafter: the Fund)

3. MINISTRY OF HUMAN RIGHTS AND REFUGEES OF REPUBLIKA SRPSKA, based in Banjaluka, at Trg Republike Srpske 1, represented by Minister Davor Čordaš , as the leading authority in the project (hereinafter: the Implementer)

as Contracting Authority, the first Party, and

4. _____ based in _____ at _____ no: ___ represented by Managing Director _____ (hereinafter: the Contractor)

As Contractor, the second Party.

I GROUND FOR CONTRACT

Article 1

1.1. This Contract shall be subject to provisions of the General Conditions for Contracting Construction Works which were published in the Manual for the Procedures in the Implementation of Return and Reconstruction Projects in BiH, which the Parties have agreed to apply by signing the Declaration attached hereto. Provisions of the General Conditions for Contracting Construction Works shall be applied to the interpretation of this Contract and the Contract or any other Annex shall not be deemed to derogate them in any way, unless otherwise specifically agreed.

1.2. The Contractor and the Contracting Authority also agree that provisions of the below-listed documents shall be binding and, in the event of a dispute, they shall have a predominance of one over the other in the following order:

- Turnkey Contract
- General Conditions for Contracting Construction Works
- Contractor's Offer
- Investment and Technical Documentation

1.3. The above documentation shall be an integral part of the Contract between the Contractor and the other Parties, the provisions of which shall have supremacy over all other negotiations or agreements, whether oral or in writing, pertaining to the subject of the Contract.

II GROUNDINGS FOR CONTRACT

Article 2

2.1. Decision of the Commission for Refugees and Displaced Persons of Bosnia and Herzegovina No: K-6-3-2293/13 dated 26 June 2013 and Decision on Amending the Decision No: K-7-3-50-2652/13 dated 26 July 2013 about the selection of priority municipalities and the approximate number of beneficiaries for the reconstruction of individual housing units of displaced persons and returnees from funds of the Saudi Fund for Development - SDF.

2.2. The Memorandum of Understanding on the implementation of the March 2014 Refugees Housing Rehabilitation Project funded under the Loan Agreement concluded with the Saudi Fund for Development No: 4/560.

2.3. Tender documentation agreed on by the Contracting Authority: MHRR, the Fund and the implementers.

2.4. Offer No: _____ dated _____ submitted by the Contractor, which was selected as the most successful offer in the contract awarding procedure.

III SUBJECT-MATTER OF CONTRACT

Article 3

3.1. The subject-matter of the Contract is the performance of works (architectural, construction, installation and craft) in reconstruction and rehabilitation of housing units, as a "turnkey" product, in the Municipality of _____.

3.2. List of beneficiaries with the addresses of housing units to be rehabilitated are an integral part of this Contract.

IV TYPE AND EXTENT OF SERVICES

Article 4

4.1. The type and extent of the works on rehabilitation of housing units of refugees, displaced persons and returnees are determined in the revised project documents and accepted offer of the Contractor which is an integral part of this Contract, legislation, rules and standards of the profession in the field of construction.

V PRICE OF SERVICES

Article 5

5.1. The total cost of the service under Article 3 of this Contract shall be fixed at: _____ (in letters: BAM _____ / 100), VAT included.

5.2. The price under paragraph 5.1. shall include all activities and works until successful technical inspection and final statement. The price shall also include the value of all the unforeseen expenditures, costs of surplus or deficit of works, if they were incurred by visible or hidden defects observed during rehabilitation.

5.3. The price under paragraph 5.1. shall include any increase in the price of elements on basis of which it was determined.

5.4. The price of works on reconstruction and rehabilitation shall be expressed as the sum of prices of works in accordance with the bill of quantities, which is an integral part of the Contractor's offer.

VI METHOD OF PAYMENT

Article 6

6.1. Payment of the total amount referred to in paragraph 5.1 shall be made by Saudi Fund for Development. The Contractor is required to issue interim and final payment certificates in eight copies to the project implementer. The interim payment certificates shall be issued by the 5th of the current month for work performed in the previous month and the final payment certificate shall be issued after the completion of works. The Contractor shall accompany each interim payment certificate and the final payment certificate with a copy of the Daily Construction Log for the respective period. The amount for payment in the submitted payment certificates must be signed and stamped by the construction supervisor and the Implementer. The total value of works in all payment certificates must not exceed the total contracted value for the works. After signing and stamping the submitted payment certificate, the Implementer shall give six copies of stamped and signed payment certificate to the Fund and one copy to MHRR. MHRR shall report to the Fund within seven days of receipt of the payment certificate.

6.2. After receiving the signed and stamped payment requests in bilingual version, i.e. also in English language, the Fund for Return is required to prepare an order for withdrawal within 15 days and submit it with the required documentation to the Ministry of Finance and Treasury that shall send it directly to the Saudi Fund for payment. The Contractor shall deliver bank instructions for foreign payments together with the interim payment certificates.

6.3. The financial value of each interim payment certificate (price) referred to in paragraphs 5.1 and 5.2, is the sum of financial values of actually completed works for each unit individually.

6.4. The financial value under preceding paragraph is determined in the percentage of actually completed work that must be the same as the percentage of the financial execution of the agreed price, and is expressed as an absolute number, in convertible marks.

6.5. An amount of 10% of the total contracted price shall be paid to the Contractor after successfully completed technical inspection and receipt of the final statement. The Fund for Return is required to prepare an order for withdrawal, after successfully completed technical inspection and final statement of works, and submit it with the required documentation to the Ministry of Finance and Treasury that shall send it directly to the Saudi Fund for payment.

6.6. Liquidated Damages for Delay are 0.5% of the contracted price for each week of delay, up to a maximum of 10% of the contracted price.

6.6. The payment amount certified by the construction supervision and Implementer's project manager can be challenged in full or in part. The challenge shall be based on a report by MHRR. In this case, the Fund shall prepare an order for the payment of the unchallenged portion of the amount and the challenged portion shall be paid after reaching an agreement about the issue that has resulted in the dispute.

VII DEADLINES

Article 7

7.1. The total time for performance of services under Article 3 is ____ calendar days.

7.2. The deadline for execution of works on reconstruction is calculated from the date of Contractor's induction in works/ the date of signing of the Records of Induction of Contractor and Start-up of Works.

7.3. The Records of Induction of Contractor and Start-up of Works shall be signed by the Implementer, the Supervisory Authority, the Contractor and the Project Coordinator of the municipality of return, which is stated in the Daily Construction Log. The Records of Induction of Contractors and Start-up of Works shall be submitted to the Fund and MHRR by the Implementer within 7 days of induction.

7.4. The time for completion of works includes weekly rest days, official holidays and days with adverse weather conditions.

7.5. The Supervisory Authority may extend the deadline for the completion of works for three days without consent of the Contracting Authority.

7.6. For any other extension of the deadline, the Contractor must obtain the written consent of the Contracting Authority.

7.7. The deadline for the execution of services under Article 3 runs until the issuance of a certificate of completion, which is issued by the Supervisory Authority upon the Contractor's written notice.

VIII BANK GUARANTEES

Article 8

8.1. The Contractor is required to submit to the Implementer an unconditional bank guarantee for performance of the contract in the amount of 10% of the total value of the contract within 15 (fifteen) days of receipt of the signed contract. The Implementer shall submit a copy of bank guarantee to the Fund and MHRR before the induction of the Contractor in works. The validity of the bank guarantee for performance of the contract is 60 (sixty) days after the deadline for completion of works.

8.2. An unconditional bank guarantee is a condition of entry into force of the Contract. The Implementer is obligated to note the information on timely submission of bank guarantee. If the bank guarantee is not submitted within the period stipulated in the contract the Implementer must make a memorandum stating that the Contract is not in force due to untimely submission of bank guarantee and submit it to all Parties to the Contract.

8.3. The Contractor is required to provide the Implementer, within 15 days of handing over of works, and no later than the final statement, with the quality guarantee in the form of bank guarantee in the amount of 10% of the total value of the works, for a period of 12 months.

IX MHRR'S OBLIGATIONS

Article 9

9.1. **MHRR** shall monitor the execution of this Contract in accordance with Manual for the Implementation of Housing Fund - Saudi Development Fund-SAF, the Memorandum of Understanding on the Implementation of the "Refugees Housing Rehabilitation Project" funded under the Loan Agreement concluded with the Saudi Fund for Development No: 4/560 and the Monitoring Manual.

9.2. MHRR shall submit the reports on the monitoring process under the preceding paragraph to the Fund and the Implementer.

X FUND'S OBLIGATIONS

Article 10

10.1. The Fund shall receive interim and final payment certificates in the manner specified in Article 6 of this Contract and prepare requests for payment and, submit them, together with all supporting documentation, to the Ministry of Finance and Treasury of BiH.

XI IMPLEMENTER'S OBLIGATIONS

Article 11

11.1. The Implementer shall prepare the tender documentation at its own expense and, in accordance with the Law on Public Procurement, conduct the tender proceedings to award the Contracts for works on rehabilitation of housing units of refugees, displaced persons and returnees, including selecting the best offer.

11.2. The Implementer, together with the Contractor, shall draft records on the transfer of basic data and maps under Article 4 of this Contract and the Records Induction of Contractor and Start-up of Works.

11.3. The Implementer shall appoint a project manager to coordinate its activities under this Contract and shall in writing notify other Parties to this Contract thereof.

11.4. The Implementer shall continuously monitor, through construction supervision, in accordance with the law, the execution of this Contract according to all operational plans, dynamic plan and regularly report to MHRR and the Fund.

11.5. In cooperation with the municipality, the Implementer shall provide any other assistance to facilitate proper execution of this Contract.

XI CONTRACTOR'S OBLIGATIONS

Article 11

11.1. The Contractor, as a specialized organization for services that are the subject of this Contract, shall provide the services in accordance with this Contract and project documentation professionally and in a high quality manner, in accordance with valid legislation, rules and standards of the profession that are in effect on the day of signing the Contract.

11.2. The Contractor is required to make a dynamic plan for the execution of the Contract, as a condition for the signature of the Contract, and follow it. The dynamic plan involves a set of operational plans: time schedules, financial plans for workforce and machinery employment and the like. The dynamic plan is an integral part of the Contract.

11.3. Immediately upon signing the Contract, the Contractor shall appoint an expert person(s) as the head of the contracted works who will be authorized to perform them and shall inform other Parties to the Contract thereof.

XII SUB-CONTRACTING

Article 12

12.1. The Contractor shall not sub-contract any activity in its entirety to another contractor.

12.2. The Contractor may subcontract works up to a maximum of 20% of the total contract value with written consent of the Implementer and shall inform MHRR and the Fund thereabout in writing.

12.3. If the Implementer agrees that the Contractor subcontracts a portion of works, the Contractor shall still remain solely responsible for the execution of the Contract in its entirety. An approval to subcontract shall not relieve the Contractor from any of its obligations under this Contract. Terms and conditions of any Subcontractor Agreement shall be subject to and in accordance with this Contract.

12.4. All decisions, instructions, construction supervision orders issued to the Contractor, shall be obligatory for its subcontractors.

12.5. Omissions and errors of any subcontractor in the fulfilment of contractual obligations shall not relieve the Contractor from its obligations and responsibilities under this Contract.

12.6. If a subcontractor performs works in violation of this Contract, the Implementer may require the Contractor in writing to terminate the subcontract.

12.7. By hiring subcontractors under the terms of paragraph 12.2, any termination of the Subcontractor Agreement may not have any impact on change of price, deadlines or other elements of this Contract.

XIII TECHNICAL INSPECTION AND CERTIFICATE OF COMPLETION

Article 13

13.1. Upon completion of the works, upon written notice to the Contractor that the works have been completed, the Supervisory Authority shall issue a certificate of final completion, which shall be submitted to the Fund and MHRR as well.

13.2. Technical inspection shall be performed by an expert commission appointed by the municipality of return. The technical inspection shall be attended by the Supervisory Authority and the Contractor and representatives of MHRR and the Implementer.

13.3. The final statement of works shall be done after the technical inspection. The final statement of works shall be recorded in records made by representatives of all the Parties.

13.4. The technical inspection shall take note of all relevant information regarding the execution of the Contract, such as whether the works comply with the Contract, quality of works, whether deficiencies have been removed, whether the Contractor has delivered warrantees, certificates and certifications and which ones, the date of completion of works and the like.

13.5. The certificate of final completion shall specify mutual financial rights and obligations under this Contract and in particular the value of works performed according to the contracted price, the amount paid according to temporary payment certificates, the final amount in the final statement, the amount that the Contractor should receive or return according to the unchallenged portion of the final statement, the information whether the deadline has been met, and if not, how long the delay in Contract was, the information which Party requires any damages or penalties, on which grounds and in what amount, as well as their challenged and unchallenged amounts, any issue that may not have been agreed by representatives of Parties.

13.6. The Parties agree that the procedure of handing over the works and the final statement are completed on the date of signing the Records of Handover and Final Statement.

13.7. If the Record of Final Statement is not challenged by any Party to the Contract, it shall be deemed final and the payments shall be made. In the event that any of the Parties to the Contract challenge the Record or portion thereof, the dispute shall be solved in the manner under Article 16 of this Contract.

XIV WARRANTY PERIOD

Article 14

14.1. A warranty period means a period of 10 (ten) years for all works related to the soundness of the building, its stability and security, counting from the day of technical inspection.

14.2. The warranty period for works is 12 months. The warranty implies an obligation of the Contractor to remove, at his own expense, all deficiencies in the rehabilitated housing units that result from improper works or poor quality materials built in by the Contractor.

14.3. The nature and cause of deficiencies occurring in rehabilitated housing units within the warranty period shall be determined jointly and agreed by representatives of Parties to the Contract immediately upon notification/ call by the Implementer.

14.4. The Contractor shall remedy any identified deficiencies within 10 (ten) days of written request by the implementer and shall notify thereof the Fund and MHRR in writing.

14.5. In the event that the Contractor fails to remedy the deficiencies within the prescribed period, the investors may negotiate removal of the deficiencies with other suppliers and those costs will be charged against the Contractor.

XV CONTRACT TERMINATION

Article 15

15.1. Any Contracting Party may unilaterally terminate the Contract prior to the deadline for its execution, if the circumstances are clear that one of the Parties will not be able to fulfil its obligations or when either Party declares that it will not fulfil its obligations. It is the Implementer that terminates the Contract in written on behalf of the Contracting Authority, with written consent of MHRR and the Fund.

15.2. Each Party may terminate the Contract because either of Parties has failed to fulfil obligations even within an additional reasonable period of time acceptable to all Parties. The Contract shall not be terminated for failure to fulfil an insignificant portion of obligations. A failure to fulfil an insignificant portion of obligations shall be deemed any failure that does not significantly hinder the realization of the purposes of this Contract.

15.3. A notice of termination shall be given in writing.

15.4. The Party that has cancelled justly and unilaterally the Contract shall be entitled to damages under general rules for damages of contract law.

XVI SETTLEMENT OF DISPUTES

Article 16

16.1. The Parties agree that any disputes under this Contract shall be settled amicable or otherwise the Court of BiH in Sarajevo shall have jurisdiction over them.

XVII CONCLUSION OF THE CONTRACT

Article 17

17.1. This Contract is made in four identical copies, of which each party retains for itself a copy.

17.2. This Contract shall be deemed concluded when all identical copies of the Contract have been signed by the authorized persons.

17.3. Amendments to the Contract / Annexes / shall be valid only if made in writing and duly signed and stamped.

**Ministry of Refugees and
Displaced Persons of BiH**

Damir Ljubić, M. Sc., Minister

Number: _____

Date: _____

Fund for Return of BiH

Mladen Božović, Director General

Number: _____

Date: _____

**Ministry of Refugees and
Displaced Persons of RS**

Davor Čordaš , Minister

Number: _____

Date: _____

Name of Managing Director

Number: _____

Date: _____

D E C L A R A T I O N

with contract No.: _____

Confirming that we are familiar with the General Conditions for Contracting Construction Works which were published in the Manual for the Procedures in the Implementation of Return and Reconstruction Projects in BiH and that we agree on their application in the interpretation of this Contract.

Ministry of Refugees and
Displaced Persons of RS

Damir Ljubić, M. Sc., Minister

Fund for Return of BiH

Mladen Božović, Director General

Ministry of Refugees and
Displaced Persons of RS

Davor Čordaš , Minister

Name of Managing Director

Number: _____

Date: _____

Number: _____

Date: _____