**DRAFT CONTRACT**

**No.………………../………………..**

Today, ........ 2018, in the City of Riyadhpursuant to Article 20, Paragraph 7, Item 2 of the Public Procurement Act, the parties:

**EMBASSY OF THE REPUBLIC OF BULGARIA IN RIYADH, Kingdom of Saudi Arabia (ERBRKSA)**, Riyadh, Umm al-Hammam St., Tank Residence Compound, House 77 represented by ....................................... , permanent representative (or other position of the signatory), referred to hereinafter as the “CONTRACTING AUTHORITY”

and

........................................, having its seat and address at:....................................................................................................................................................................................

Company No. ........................................, represented by ................................................ designated as CONTRACTOR following a public procurement procedure under Chapter 26 of the Public Procurement Act with the object of: “Delivery through purchase of 3 (three) factory-new motor vehicles for the needs of the Embassy of the Republic of Bulgaria in Riyadh, Kingdom of Saudi Arabia, manufactured with technical specifications for the Persian Gulf or the Middle East” (in three Lots), referred to hereinafter as CONTRACTOR, entered into the present Contract for placement of a public procurement order, referred to hereinafter as the “Contract”:

The Parties agreed on the following:

**І. SUBJECT MATTER OF THE CONTRACT**

**Article 1. (1)** The CONTRACTING AUTHORITY hereby orders and the CONTRACTOR agrees to supply against compensation a new and unused motor vehicle (MV)/ Lot No..../ in accordance with the technical specification and the technical tender for the needs of the Embassy of the Republic of Bulgaria in Riyadh, Kingdom of Saudi Arabia.

The MV under the first paragraph of this Article shall be referred to hereinafter as the “MV” and/or the “automobile” and/or the “vehicle.”

(2) The motor vehicle shall be registered in the name of the CONTRACTING AUTHORITY.

**IІ. Date and place of execution**

**Article 2.** This Contract shall remain valid until the delivery of the vehicle under Article 1, but for no longer than six months as of its registration by the record-keeping office of the Embassy of the Republic of Bulgaria to the Kingdom of Saudi Arabia

**Article 3.** The place of execution of this order shall be the Embassy of the Republic of Bulgaria in Riyadh, Kingdom of Saudi Arabia.

**ІІІ. HANDOVER AND ACCEPTANCE OF THE DELIVERY**

**Article 4. (1)** The handover and acceptance of the delivered vehicle shall be executed by persons authorised by the CONTRACTING AUTHORITY and the CONTRACTOR. On behalf the CONTRACTING AUTHORITY (Embassy of the Republic of Bulgaria in Riyadh, Kingdom of Saudi Arabia) the acceptance shall be executed by a commission appointed by order of the Permanent Representative.

(2) The acceptance and handover shall be attested by a bilateral protocol signed by the persons referred to in the preceding paragraph, which protocol should be free of notes about visible faults of the vehicle.

**ІV. PRICE AND METHOD OF PAYMENT**

Article 5 (1) The total price for fulfilling the order shall be .....................................................BGN.

The CONTRACTING AUTHORITY shall pay in advance 100% (one hundred percent) of the price within 10 days of the signing of this Contract and the presentation by the CONTRACTOR of an invoice as well as a **performance guarantee that covers the advance payment** in the amount of the advance payment in one of the forms described in Article 5a of this Contract. The guarantee covering the advance payment shall be released within 10 days of the return or utilization of the advance payment. The advance payment shall be considered utilized once the Acceptance and Handover Protocol under Article 4, Paragraph 2 herein is signed.

The CONTRACTING AUTHORITY shall not make an advance payment if the vehicles are delivered within five days of the signing of this Contract and an acceptance and handover protocol is signed that is free of objections under Article 4. In this case the CONTRACTING AUTHORITY shall pay the full amount for the execution of this Contract after presentation of an original invoice.

(3) The price under Paragraph 1 shall include maintenance of the vehicle on-site under warranty. The terms and conditions for maintenance under warranty are listed in Appendix No. 5 which shall constitute an inalienable part of this Contract.

(4) The fees for maintenance, operation, the annual road toll, and the fuel of the vehicle as well as other similar charges shall be borne by the CONTRACTING AUTHORITY and shall not be part of the subject of this Contract. The CONTRACTOR shall bear the cost of any import duties due for this vehicle.

**Article 5a. (1)**The CONTRACTOR shall provide a guarantee covering 100% of the advance payment under Article 5, Paragraph 1 of this Contract, if such a payment is made.

(2) The CONTRACTOR shall present to the CONTRACTING AUTHORITY a document guaranteeing the advance payment within 3 (three) days of the signing of this Contract.

(3) Form of guarantee

The CONTRACTOR shall be free to choose the form of guarantee from the following options: (a) monetary amount deposited in the CONTRACTING AUTHORITY’s bank account; (b) bank guarantees; or (c) insurance policy.

**Article 5b. Requirements in respect of the guarantee**

(1) When the performance guarantee is presented in the form of a monetary amount, this amount should be deposited in the CONTRACTING AUTHORITY’s bank account. All bank costs related to the transfer of the performance guarantee amount shall be at the expense of the CONTRACTOR. The CONTRACTING AUTHORITY shall not owe to the CONTRACTOR any interest for the duration of its holding of the funds that constitute the guarantee under this Contract.

(2) Where the CONTRACTOR shall present a bank **guarantee**, it shall be able to provide it in original and that guarantee shall be unconditional, irrevocable, and non-transferrable, and shall cover 100% (one hundred percent) of the value of the guarantee of the advance payment and shall furthermore be of the same validity as the deadline for the utilization of the advance payment plus 10 days for the guarantee covering the advance payment.

(3) The two parties hereby agree that in the event of the issuance of a bank guarantee it shall contain a condition requiring of the bank to pay the amount of the guarantee upon first claim irrespective of any objections or defence arising in connection with the main obligations.

(4) All bank costs pertaining to the servicing of the transfer of the guarantee, including those for its refund, shall be borne by the CONTRACTOR.

(5). The **insurance** covering the advance payment shall be valid until the utilization of the advance payment plus 10 days. The CONTRACTING AUTHORITY shall be included as a third party – beneficiary under this insurance. The insurance shall cover the liability for failure to utilise or failure to refund the advance payment and may not be used to cover the same party’s liability under a different Contract. The costs of entry into an insurance Contract and for maintaining the validity of the insurance for the term required, as well as in regard to each payment of insurance compensation in favor of the CONTRACTING AUTHORITY, shall be at the expense of the CONTRACTOR.

**Article 5c. Retaining and releasing the warranties**

(1) The CONTRACTING AUTHORITY shall release the guarantee covering the advance payment within 10 (ten) days of the utilization or the return of the advance payment and that advance payment shall be considered utilized as of the time of the delivery of the vehicle and the signing of the Acceptance and Handover Protocol.

(2) The CONTRACTING AUTHORITY shall not owe interest, charges, commissions or any other payments on the amounts of the performance   
guarantee, irrespective of the form in which the guarantee was provided.

(3) The performance guarantee shall not be released by the CONTRACTING AUTHORITY if in the course of the Contract’s execution a dispute between the parties arises regarding non-performance of the obligations of the CONTRACTOR and the matter was brought for settlement to a court of law. If the dispute is decided in favor of the CONTRACTING AUTHORITY, it may commence the retaining of the performance guarantee.

(4) The CONTRACTING AUTHORITY may retain in full or in part the performance guarantee that covers the advance payment if obligations should arise with regard to the return by the CONTRACTOR of moneys paid in advance.   
In such cases, the CONTRACTING AUTHORITY shall be entitled to retain the performance guarantee covering the advance payment - the amount equal to the advance payment - on condition that this amount had not already been retained or returned to the CONTRACTOR.

**Article 6.** (1) The CONTRACTOR’s bank account:

**....................................**

**....................................**

**(2)** The CONTRACTOR shall be obliged to notify in writing the CONTRACTING AUTHORITY of all subsequent changes under Paragraph 1 within 3 (three) business days, as of the moment of occurrence of such changes. If the CONTRACTOR fails to notify the CONTRACTING AUTHORITY within the time specified above, it shall be considered that all payments have been duly made.

**V. RIGHTS AND OBLIGATIONS OF THE CONTRACTING AUTHORITY**

**Article 7.** The CONTRACTING AUTHORITY shall have the right:

**1.** To require of the CONTRACTOR to fulfill faithfully and in time the activities pertaining to the Technical Specification and the Technical Tender by the CONTRACTOR (Appendix No. 1 and No. 2 that are unalienable parts of this Contract).

**2.** If flaws are found in the performance of the delivery, it may refuse to accept the delivery until the flaws are rectified within a period of time specified by the CONTRACTING AUTHORITY upon the completion of which the parties shall sign a new Acceptance and Handover Protocol. If such circumstances should arise, the CONTRACTOR shall provide to the CONTRACTING AUTHORITY a replacement vehicle of similar or better technical characteristics for use until the MV is delivered free of flaws.

**3.** To unilaterally terminate the Contract without serving prior notice if the CONTRACTOR fails to make the delivery in time or fails to make it in the manner agreed herein.

**4.** To make claims if it is established that the item delivered has hidden and/or visible flaws which are not in conformity with the technical specification and the CONTRACTOR’s technical tender.

**Art. 8.** The CONTRACTING AUTHORITY shall be obliged:

To pay to the CONTRACTOR compensation in an amount, under conditions, and within the deadlines set in this Contract.

**VІII. RIGHTS AND OBLIGATIONS OF THE CONTRACTOR**

**Article 9.** The CONTRACTOR shall have the right:

**1.** To receive the agreed price under the conditions and within the deadlines set in this Contract.

**2.** To receive the price of the item delivered and accepted by the CONTRACTING AUTHORITY (free of claims).

**Article 10.** The CONTRACTOR shall:

**1.** Fulfill the object of this agreement accurately and in good faith in compliance with the conditions contained in the Technical and Price Tenders (Appendix No. 2 and No. 3 which are inalienable parts of this agreement).

**2.** To fulfill its obligations within the deadlines /set by Article 2 of this Contract/.

**3.** To provide whatever assistance may be necessary.

**4.** To appoint an authorized representative or representatives for the handover of the delivery and the signing of the acceptance and handover protocol.

**5.** To refrain from using any information that may have become available to it in the discharge of its obligations under this Contract.

**IX. PENALTIES**

**Article 11.** In the event of delays, the CONTRACTOR shall owe to the CONTRACTING AUTHORITY damages in the amount of 0.5% (one-half percent) of the value of the delivery for every day of delay but no more than 10 (ten)% of the value of this Contract.

**Article 12.** If a party fails to fulfill its obligations under this Contract in circumstances other than those described in Article 13, the party at fault shall owe to the other party damages in the amount of 10 (ten)% of the value of this Contract.

**Article 13.** The parties shall reserve their rights to seek compensation for damage in a generally accepted manner if the value of that compensation is higher than the damages paid in accordance with the provisions of this chapter.

**Х. UNFORSEEABLE CIRCUMSTANCES**

**Article 14. (1)**The parties to this Contract shall be relieved of the liability for compensation for damage and losses caused, if these were the result of force majeure.

**(2)** If the party, which should have fulfilled an obligation under this Contract, had been in delay, it may not invoke force majeure.

**(3)** The party affected by a force majeure shall be obliged to undertake in good faith all actions in order to minimise the damage and losses suffered, as well as to notify the other party in writing within 5 (five) days of the occurrence of the force majeure. In the event of failure to send a notification, compensation shall be owed for the damages caused as a result thereof.

(4) For the duration of the force majeure, the implementation of the obligations and the related counter-obligations shall be suspended.

**ХI. TERMINATION OF THE CONTRACT**

**Article 15.** (1) This Contract shall be terminated:

**1.** Upon expiration of its term or upon the vehicle accruing the mileage of 40 000 km:

**2.** By mutual agreement of the parties expressed in writing;

**3.** In the case of culpable fault on the part of one of the parties in the discharge of its obligations under this Contract: by five-day written notice by the aggrieved party to the party at fault;

**4.** At the time of its complete fulfillment.

**5.** When substantial changes have arisen in the financing of the public procurement order that is the object of this Contract beyond the powers of the CONTRACTING AUTHORITY and which changes it had not been able or obliged to foresee or prevent, by notice in writing immediately after the occurrence of such circumstances.

**ХІI. FINAL PROVISIONS**

**Article 16.** All messages, notices, and orders, related to the performance of this Contract and exchanged between the CONTRACTING AUTHORITY and the CONTRACTOR, shall be valid if delivered by telefax, email, standard mail with return receipt to the address of the respective party, or delivered by courier against signature of the recipient party in accordance with the contact details, indicated in Article 12.1 of the Contract.

CONTRACTOR: CONTRACTING AUTHORITY:

Address:.......................................... Address:…………………………………..

Fax:........................................... Fax:……………………………….

**Article 17.** (1) If any of the parties should change its address, it shall notify the other party of its new address within three days.

(2) If any of the parties had changed its address without notifying the other party within the period of time specified in the preceding paragraph, any communications shall be considered duly delivered also if they had been sent to the old address.

**Article 18.** If differences should arise between the texts of this Contract and those of the general terms of the CONTRACTOR - Appendix No. 4 of this Contract - the provisions of this Contract shall apply.

The following shall be inalienable parts of this Contract:

1. Technical Specification of the order - Appendix No. 1 to this Contract.

2. Technical proposal for the order - Appendix No. 2 to this Contract.

3. Price proposal - Appendix No. 3 to this Contract.

4. General Terms of the CONTRACTOR for delivery of the vehicle - Appendix No. 4 to this Contract.

5. Warranty terms - Appendix No. 5.

This Contract, together with the Appendices thereto, was drawn up in two identical copies – one for the CONTRACTING AUTHORITY and one for the CONTRACTOR - each copy having the force of an original.

**CONTRACTING AUTHORITY: CONTRACTOR:**

……………………………….................. (Name, Signature, Stamp) (Name, Signature, Stamp)