



**ANNEX 8 to the tender specifications  
DRAFT FRAMEWORK SERVICE CONTRACT FN-RES/CORE/004-17**

The Regional School of Public Administration (hereinafter referred to as “the Contracting Authority”), represented for the purposes of signature of this framework contract by Ms Ratka Sekulovic, Director of ReSPA,

of the one part,

and

[Official name in full]

[Official legal form]

Statutory registration number: [Complete]

[Official address in full]

VAT registration number: [Complete]

hereinafter referred to as “the Contractor”, represented for the purposes of signature of this framework contract by [Complete name in full and function], on the other part,

**HAVE AGREED**

To the **Special Conditions** and the **General Conditions** below and the following annexes:

**Annex I** – Tender specifications ReSPA/CORE/SER/004-17

**Annex II** – Contractor’s tender [REFERENCE and DATE]

**Annex III** – Model for order forms

The terms set out in the Special Conditions shall take precedence over those in the other parts of the Contract.

The terms set out in the General Conditions shall take precedence over those in the Annexes.

The terms set out in the Tender specifications (Annex I) shall take precedence over those in the order form (Annex III), the latter taking precedence over the Contractor’s tender (Annex II).

All documents issued by the Contractor (end-agreements, general terms and conditions, etc.) except its tender (Annex II) are held inapplicable, unless explicitly specified in the Special Conditions of this Contract. In all circumstances, in the event of contradiction between the

provisions in this Contract and documents issued by the Contractor, this Contract shall prevail, regardless of any provision to the contrary in the Contractor's documents.

Subject to the above, the several instruments forming part of the Contract are to be taken as mutually explanatory. Ambiguities or discrepancies within or between such parts shall be explained or rectified by a written instruction issued by the Contracting Authority, subject to the rights of the Contractor under Article I.8 should he dispute any such instruction.

Furthermore, each provision in the Special Conditions and General Conditions is severable and distinct from the others. If a provision is or becomes illegal, invalid or unenforceable to any extent, it must be severed from the remainder provisions of the Contract. This does not affect the legality, validity or enforceability of any other provisions of the Contract, which continue in full force and effect. The illegal, invalid, or unenforceable provision must be replaced by a legal, valid and enforceable substitute provision which corresponds as closely as possible with the actual intent of the parties under the illegal, invalid or unenforceable provision. The replacement of such provision must be made in accordance with Article II.19. The Contract must be interpreted as if it had contained the substitute provision as from its entry into force.

## **I – SPECIAL CONDITIONS ARTICLE**

### **I.1 – SUBJECT**

**I.1.1** The subject of the Contract is provision of catering services for the Regional School of Public Administration (ReSPA) within its premises.

**I.1.2** Signature of the Contract imposes no obligation on the Contracting Authority to purchase. Only implementation of the Contract through order forms is binding on the Contracting Authority.

**I.1.3** Once implementation of the Contract has been asked or has commenced, the Contractor shall reply and provide the services in accordance with all the terms and conditions of the Contract and the relevant order form.

**I.1.4** The Contract does not confer on the Contractor any exclusive right to provide the services described in the Tender Specifications (Annex I) to the Contracting Authority.

### **ARTICLE I.2 – ENTRY INTO FORCE AND DURATION**

**I.2.1** The Contract shall enter into force on the date on which it is signed by the Contracting Authority.

**I.2.2** Under no circumstances may implementation of the Contract commence before the date on which it enters into force. Similarly, provision of services may under no circumstances begin before the date on which the relevant order form enters into force.

**I.2.3** The Contract is concluded for an initial period of 12 (twelve) months with effect from the date on which it enters into force as specified in Article I.2.1.

The FWC is renewed automatically for the period of 12 months, unless one of the parties receives formal notification to the contrary at least three months before the end of the ongoing duration. Renewal does not change or postpone any existing obligations.

**I.2.4** The parties must sign any order form before the Contract expires. The contract shall continue to apply to such order forms after its expiry. The services relating to such order forms must be performed no later than 6 (six) months after the expiry of the Contract.

## **ARTICLE I.3 – PRICES**

**I.3.1** The maximum budget available for the Contract is EUR 40,000 [a forty thousand] over a maximum period of 12 (twelve) months. However, this binds in no way the Contracting Authority to purchase for the maximum budget.

**I.3.2** The prices of the services shall be as listed in the Contractor's tender (Annex II).

**I.3.3** Prices shall be fixed and not subject to revision for the first year of performance of the Contract. In a case the Contract is renewed for the next 12 months, from the beginning of the second year of performance of the Contract, each price may be revised upwards or downwards at the request of one of the contracting parties.

A contracting party shall request the price revision by registered mail no later than three months before the anniversary of the date on which the Contract became effective in accordance with Article I.2.1 above, regardless of whether the Contracting Authority has renewed the Contract in accordance with Article I.2.3 and the Contractor should take action accordingly. The other party shall acknowledge the price revision request in writing within 14 (fourteen) calendar days of receipt. The price revision shall be determined by the mutual agreement of both contracting sides. The Contracting Authority shall purchase on the basis of the price in force at the date on which the order form is signed by both contracting parties. Such prices shall not be subject to revision.

## **ARTICLE I.4 – IMPLEMENTATION OF THE CONTRACT**

**I.4.1** All services under this Contract will be the subject of a written order form. The order form will specify the terms of the performance including in particular the period for the provision of the services, the type of services and the amount.

**I.4.2** Within 2 (two) working days of receipt of an order form, the Contractor shall return it to the Contracting Authority duly dated and signed.

**I.4.3** The period for the provision of the services shall start to run from the date on which the order form is signed by both contracting parties, unless indicated otherwise in the order form.

## **ARTICLE I.5 – INVOICING AND PAYMENT**

**I.5.1** Payments under the Contract shall be made only if the Contractor has fulfilled all its contractual and legal obligations by the date on which the invoice is correctly submitted.

**I.5.2** No later than 5 (five) calendar days after the end of a month in which the requested services have been provided, the Contractor shall submit to the Contracting Authority, an invoice for the preceding month indicating the reference number of the Contract and of the order form to which it refers, accompanied by the relevant supporting documents relating to the services carried out.

**I.5.2** Payments shall be made within 30 (thirty) calendar days from the date of receipt and approval of the relevant invoice and supporting documents.

## **ARTICLE I.6 – BANK ACCOUNT**

Payments shall be made to the Contractor's bank account denominated in euro, identified as follows:

Bank name: [complete]

Branch address: [complete]

Account holder: [complete]

IBAN code: [complete]

BIC/Swift Code: [complete]

## **ARTICLE I.7 – GENERAL ADMINISTRATIVE PROVISIONS**

**I.7.1** Any communication relating to the Contract or its implementation shall be made in writing, in paper or electronic format in the language of the Contract and shall bear the Contract and relevant order form references.

**I.7.2** Electronic communication must be confirmed by paper communication when requested by either party.

**I.7.3** Any communication is deemed to have been made when the receiving party receives it, unless this Contract refers to the date when the communication was sent. Electronic communication is deemed to have been received by the receiving party on the date of dispatch of that communication, provided that it is sent to the e-mail address indicated in Article I.7.4 below. The sending party must be able to prove the date of dispatch. In the event that the sending party receives a non-delivery report, it must take every effort to ensure that the other party actually receives the communication by electronic or normal mail. In such a case, the sending party is not held in breach of its obligation to send such communication within a specified deadline. Ordinary mail shall be deemed to have been received by the Contracting Authority on the date on which it is registered by the department responsible indicated in Article I.7.4. Formal notifications are considered to have been received by the receiving party on the date of receipt indicated in the proof received by the sending party that the communication was delivered to the specified recipient.

**I.7.4** Communications shall be sent to the following addresses:

For the Contracting Authority:

Regional School of Public Administration

Att.: Mr Vlatko Naumovski. Finance and Operations Manager -Coordinator

Address: Branelovica, 81410 Danilovgrad, Montenegro

Tel.: +382 20 817 212  
E-mail: v.naumovski@respaweb.eu

For the Contractor:

[Complete Contractor's name in full]

Att.: [Title] [Name in full] [Complete address in full]

Tel.: [Complete]

E-mail: [Complete]

By derogation from this Article, different contact details for the Contracting Authority or the Contractor may be provided in order forms.

**I.7.5** During the performance of the Contract and at the request of the Contracting Authority, the use of electronic means to exchange ordering and invoicing documents may become mandatory.

## **ARTICLE I.8 – APPLICABLE LAW AND SETTLEMENT OF DISPUTES**

### **I.8.1**

- a) Given the status of ReSPA as an international organisation, the Parties specifically agree that the rights and obligations shall be governed exclusively by the terms and conditions of the present Contract.
- b) Any dispute arising out of the interpretation or implementation of this Contract, which cannot be settled by mutual agreement, shall be referred for decision to an arbitrator chosen by agreement between the parties or, failing such agreement on the choice of the arbitrator within three months of the request for arbitration, to an arbitrator appointed by the ReSPA Governing Board at the request of either Party. The decision of the arbitrator shall be final and not subject to appeal. The arbitration shall be conducted in English and shall take place at the ReSPA Headquarters, Danilovgrad, Montenegro.

## **GENERAL CONDITIONS**

### **ARTICLE II.1 – PERFORMANCE OF THE CONTRACT**

**II.1.1** The Contractor shall provide services of high quality standards, in accordance with the state of the art in the industry and the provisions of this Contract, in particular in the tender specifications (Annex I) and the terms of its tenders (Annex II).

**II.1.2** The Contractor must comply with the minimum requirements provided for in the tender specifications (Annex I). This includes compliance with applicable obligations under environmental, social and labour law established by national law and collective agreements or by the international environmental, social and labour law provisions listed in Annex X to Directive 2014/14/EU<sup>1</sup>.

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<sup>1</sup> OJ EU L 94/65 of 28.3.2014.

**II.1.3** The Contractor shall have sole responsibility for taking the necessary steps to obtain any permit or license required for the performance of the Contract under the laws and regulations in force at the place where the tasks assigned to him are to be executed.

**II.1.4** Without prejudice to Article II.3 any reference made to the Contractor's personnel in the Contract shall relate exclusively to individuals involved in the performance of the Contract.

**II.1.5** The Contractor shall neither represent the Contracting Authority nor behave in any way that would give such an impression.

**II.1.6** The Contractor is responsible for the personnel who carry out the services and exercises its authority over its personnel without any interference by the Contracting Authority. The Contractor must inform its personnel that their participation in providing the services does not result in any employment or contractual relationship with the Contracting Authority.

**II.1.7** The Contractor must ensure that the personnel performing the Contract and any future replacement personnel possess the professional qualifications and experience required to provide the services, as the case may be on the basis of the selection criteria set out in the tender specifications (Annex I).

**II.1.8** At the Contracting Authority's reasoned request, the Contractor shall replace any member of personnel who (i) does not have the expertise required to provide the services or (ii) has caused disruption at the premises of the Contracting Authority. The Contractor bears the cost of replacing its personnel and is responsible for any delay in providing the services resulting from the replacement of personnel.

**II.1.9** Should any unforeseen event, action or omission directly or indirectly hamper provision of the services, either partially or totally, the Contractor shall immediately and on its own initiative record it and report it to the Contracting Authority. 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.

**II.1.10** Should the Contractor fail to perform its obligations under the Contract, the Contracting Authority may – without prejudice to its right to terminate the Contract or an order form – reduce or recover payments in proportion to the scale of the failure. In addition, the Contracting Authority may impose penalties or liquidated damages provided for in Article II.13.

**II.1.11** The Contractor is responsible for liabilities; taxes, insurances and medical coverage for its employees, in accordance with all local laws and traditions. In addition all licenses, rules, regulations and registrations required by the local government are to be adhered to.

## **ARTICLE II.2 – LIABILITY**

**II.2.1** The Contracting Authority shall not be liable for any damage or loss caused or sustained by the Contractor, including any damage or loss caused by the Contractor to third parties, during or

as a consequence of performance of the Contract, except in the event of wilful misconduct or gross negligence on the part of the Contracting Authority.

**II.2.2** The Contractor shall be liable for any loss or damage caused to or sustained by the Contracting Authority during or as a consequence of performance of the Contract, including in the event of subcontracting, but only up to 3 (three) times the total amount of the relevant order form. Nevertheless, if the damage or loss is caused by the gross negligence or wilful misconduct of the Contractor or by its personnel or subcontractors, the Contractor shall remain liable without any limitation as to the amount of the damage or loss.

**II.2.3** In the event of any action brought by a third party against the Contracting Authority in connection with performance of the Contract, including any action for alleged breach of intellectual property rights, the Contractor shall assist the Contracting Authority in the legal proceedings, including by intervening in support of the Contracting Authority upon request. Expenditure incurred by the Contractor to this end may be borne by the Contracting Authority. If the Contracting Authority's liability towards the third party is established and that such liability is caused by the Contractor during or as a consequence of the performance of the Contract, the provisions of Article II.2.2 shall apply.

**II.2.4** The Contractor shall take out insurance against risks and damages relating to performance of the Contract if required by the relevant applicable legislation. The Contractor shall take out supplementary insurance as reasonably required by standard practice in the industry. A copy of all the relevant insurance certificates shall be sent to the Contracting Authority should it so request.

**II.2.5** Neither party shall be liable to the other party for loss or use of any results, loss for any indirect or consequential loss of damage, howsoever arising, which may be suffered by the other party in connection with the performance of the contract.

## **ARTICLE II.3 – CONFLICT OF INTEREST AND PROFESSIONAL CONFLICTING INTEREST**

**II.3.1** The Contractor shall take all necessary measures to prevent any situation of conflict of interest or professional conflicting interest. Such conflict of interest 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. Professional conflicting interest is a situation in which the Contractor's previous or on-going professional activities affect its capacity to perform the Contract or an order form to an appropriate quality standard.

**II.3.2** Any situation that could constitute a conflict of interest or professional conflicting interest during performance of the Contract must be notified to the Contracting Authority in writing without delay. In the event of such situation, the Contractor shall immediately take all necessary actions to resolve it. The Contracting Authority reserves the right to verify that such actions are appropriate and to require the Contractor to take further actions, if necessary, within a time limit which it shall set. The Contracting Authority also reserves the right not to award an order form to the contractor

**II.3.3** The Contractor shall ensure that its personnel, board and directors are not placed in a situation which could give rise to conflicts of interest. Without prejudice to Article II.1, the Contractor shall replace, immediately and without compensation from the Contracting Authority, any member of its personnel exposed to such a situation. The Contractor shall pass on all the relevant obligations in writing to its personnel, board and directors as well as to third parties involved in the performance of the Contract. A copy of the instructions given and the undertakings made in this respect shall be sent to the Contracting Authority should it so request.

**II.3.4** The Contractor shall abstain from any contact likely to compromise its independence.

**II.3.5** The Contractor declares: (i) that he has not made and will not make any offer of any type whatsoever from which an advantage can be derived under the Contract, and (ii) that he has not granted and will not grant, has not sought and will not seek, has not attempted and will not attempt to obtain, and has not accepted and will not accept, any advantage, financial or in kind, to or from any party whatsoever, where such advantage constitutes an illegal practice or involves corruption, either directly or indirectly, inasmuch as it is an incentive or reward relating to performance of the Contract.

## **ARTICLE II.4 – CONFIDENTIALITY**

**II.4.1** The Contracting Authority and the Contractor must treat with confidentiality any information or documents, in any format, disclosed in writing or orally, relating to the performance of the Contract and identified in writing as confidential.

**II.4.2** Each party must:

- (a) not use confidential information or documents for any purpose other than to perform its obligations under the Contract or an order form without the prior written agreement of the other party;
- (b) ensure the protection of such confidential information or documents with the same level of protection as its own confidential information or documents and in any case with due diligence;
- (c) not disclose, directly or indirectly, confidential information or documents to third parties without the prior written agreement of the other party.

**II.4.3** The confidentiality obligations set out in this article are binding on the Contracting Authority and the Contractor during the performance of the Contract and for as long as the information or documents remain confidential unless:

- (a) the disclosing party agrees to release the receiving party from the confidentiality obligation earlier;
- (b) the confidential information or documents become public through other means than a breach of the confidentiality obligation;
- (c) the applicable law requires the disclosure of the confidential information or documents.



II.4.4 The Contractor must obtain from any natural person with the power to represent it or take decisions on its behalf, as well as from third parties involved in the performance of the Contract a commitment that they will comply with this article. At the request of the Contracting Authority, the Contractor must provide a document providing evidence of this commitment.

## **II.5 – PROCESSING OF PERSONAL DATA**

**II.5.1** Any personal data included in the Contract or related to its performance shall be processed pursuant to Regulation (EC) No 45/2001 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data<sup>2</sup>. Such data shall be processed within the Contracting Authority by the entity acting as data controller solely for the purposes of the performance, management and monitoring of the Contract without prejudice to possible transmission to the bodies charged with a monitoring or inspection task in conformity with Union law.

**II.5.2** The Contractor shall have the right of access to its personal data and the right to rectify any such data that is inaccurate or incomplete. Should the Contractor have any queries concerning the processing of its personal data, he shall address them to the entity acting as data controller within the Contracting Authority.

**II.5.3** Where the Contract requires the processing of personal data, the Contractor may act only under the supervision of the entity acting as data controller within the Contracting Authority, in particular with regard to the purposes of the processing, the categories of data which may be processed, the recipients of the data, and the means by which the data subject may exercise his/her rights.

**II.5.4** The data shall be confidential within the meaning of Regulation (EC) No 45/2001 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data. The Contractor must grant personnel access to the data to the extent strictly necessary for the performance, management and monitoring of the Contract.

**II.5.5** The Contractor undertakes to adopt appropriate technical and organisational security measures having regard to the risks inherent in the processing and to the nature of the personal data concerned, in order to:

- (a) prevent any unauthorised person from having access to computer systems processing personal data, and especially: (i) unauthorised reading, copying, alteration or removal of storage media; (ii) unauthorised data input as well as any unauthorised disclosure, alteration or erasure of stored personal data; (iii) unauthorised use of data processing systems by means of data transmission facilities;
- (b) ensure that authorised users of a data-processing system can access only the personal data to which their access right refers;

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<sup>2</sup> OJEU L 8/1 of 12.1.2001

- (c) record which personal data have been communicated, when and to whom;
- (d) ensure that personal data being processed on behalf of third parties can be processed only in the manner prescribed by the Contracting Authority;
- (e) ensure that, during communication of personal data and transport of storage media, the data cannot be read, copied or erased without authorisation;
- (f) design its organisational structure in such a way that it meets data protection requirements.

## **II.6 – USE, DISTRIBUTION AND PUBLICATION OF INFORMATION ABOUT THE CONTRACT**

**II.6.1** The Contractor shall authorise the Contracting Authority to process, use, distribute and publish, for whatever purpose, by whatever means and on whatever medium, any data contained in or relating to the Contract, in particular the identity of the Contractor, the subject matter, the duration, the amount paid and the reports. Where personal data is concerned, Article II.5 shall apply.

**II.6.2** Any distribution or publication of information relating to the Contract by the Contractor shall require prior written authorisation from the Contracting Authority. It shall state that the opinions expressed are those of the Contractor only and do not represent the Contracting Authority's official position.

**II.6.3** The use of information obtained by the Contractor in the course of the Contract for purposes other than its performance shall be forbidden, unless the Contracting Authority has specifically given prior written authorisation to the contrary.

## **II.7 – OWNERSHIP OF INTELLECTUAL PROPERTY RIGHTS**

**II.7.1.** Any database rights, copyright, trademarks, trade names, domain names, designs or patents (whether registered or unregistered or capable of registration) including but not limited to, all other intellectual or industrial property rights such as know-how, trade secrets and goodwill (together, the "Intellectual Property Rights"), created by the Contractor, specifically for the Contracting Authority, or arising out of the performance of this Contract, shall be owned solely by the Contracting Authority, which may use, publish, assign or transfer them as it sees fit, without geographical or other limitation. Any intermediary sub-result, raw data, intermediary analysis made available by the Contractor cannot be used by the Contracting Authority without the written consent of the Contractor, unless the Contract or Specific Contract explicitly provides for it to be treated as a self-contained result.

**II.7.2.** Where Intellectual Property Rights existed prior to the Contract being entered into and are utilised in the Goods or the provision of the Services in an incidental way, and which are necessary for the ongoing benefit of those Goods and Services, the Contractor shall, or shall procure that any third party owner of said Intellectual Property Rights shall, grant to the Contracting Authority

a perpetual, royalty free licence (which may be sub-licensed by the Contracting Authority) to use such pre-existing Intellectual Property Rights.

**II.7.3.** The Contractor shall execute any documents and do all things necessary to vest the Intellectual Property Rights, referred to in Article II.7.1 above, in the ownership of the Contracting Authority with full title guarantee and free from all third party rights as may be requested by the Contracting Authority from time to time and hereby assigns to the Contracting Authority, by way of present amendment of future rights, all such Intellectual Property Rights that may come into existence in the future.

**II.7.4.** The Contractor represents and warrants that the Intellectual Property Rights arising, or utilised, in accordance with Articles II.7.1-2 are or shall be original and will not infringe any Intellectual Property Rights owned by any third party (including, but without limitation to, all moral rights).

**II.7.5.** The Contractor shall indemnify and hold the Contracting Authority harmless from all claims and liabilities, costs, proceedings, damages and expenses (including legal and other professional fees and expenses) awarded against, suffered, incurred, or agreed to be paid by the Contracting Authority as a result of or in connection with any alleged or actual infringement, of any third party's Intellectual Property Rights or other rights arising out of the use or supply of Goods or the Services or either party's performance of this Article II.7.

**II.7.6.** When the Contractor retains pre-existing rights on parts of the intended outcome of the performance of the Contract which is delivered and finally accepted by the Contracting Authority ("the result"), reference shall be inserted to that effect when the result is used as set out in Article II.7.1 with the following disclaimer: © - year – ReSPA. All rights reserved. Certain parts are licensed under conditions to ReSPA.

## **II.8 – FORCE MAJEURE**

**II.8.1** Force majeure shall mean any unforeseen and exceptional situation or event beyond the control of the contracting parties which prevents either of them from performing any of their obligations under the Contract, was not due to error or negligence on their part or on the part of a subcontractor, and could not have been avoided by the exercise of due diligence. Defects in equipment or material or delays in making it available, labour disputes, strikes or financial problems cannot be invoked as force majeure unless they stem directly from a relevant case of force majeure.

**II.8.2** Without prejudice to the provisions of Article II.1.9, if either contracting party is faced with force majeure, it shall notify the other party without delay in writing stating the nature of the circumstances, their likely duration and foreseen effects.

**II.8.3** Neither contracting party shall be held liable for any delay or failure to perform its obligations under the Contract if that delay or failure is a result of force majeure. Where the Contractor is unable to perform its contractual obligations owing to force majeure, it shall have the right to remuneration only for tasks actually executed or services actually provided.

**II.8.4** The contracting parties shall take all necessary measures to reduce any damage due to force majeure to a minimum.

## **II.9 – SUBCONTRACTING**

**II.9.1** Subcontract is not foreseen and the Contractor shall not subcontract and have the Contract implemented by third parties.

## **II.10 – ASSIGNMENT**

**II.10.1** The Contractor shall not assign in whole or in part any of the rights and obligations arising from the Contract, including claims for payments or factoring, without prior written authorisation from the Contracting Authority. In such cases, the Contractor must provide the Contracting Authority with the identity of the intended assignee.

**II.10.2** In the absence of the authorisation referred to in Article II.10.1, or in the event of failure to observe the terms thereof, any right or obligation assigned by the Contractor shall not be enforceable against and shall have no effect on the Contracting Authority.

## **II.11 – SUSPENSION OF THE IMPLEMENTATION OF THE CONTRACT**

### **II.11.1 Suspension by the Contractor**

If the Contractor is affected by force majeure, it may suspend the provision of the services under an order form. The Contractor shall immediately notify the Contracting Authority in writing of the suspension, stating the nature of the circumstances of force majeure and when the Contractor expects to resume provision of the services. The Contractor shall notify in writing the Contracting Authority as soon as it is able to resume performance of an order form, unless the Contracting Authority has already terminated the Contract or the order form.

### **II.11.2 Suspension by the Contracting Authority**

Without prejudice to the Contracting Authority's right to terminate the Contract, the Contracting Authority may suspend implementation of the Contract or performance of an order form or any part thereof, if the procedure for awarding the Contract or an order form, or the implementation of the Contract proves to have been subject to substantial errors, irregularities or fraud; or in order to verify whether the presumed substantial errors, irregularities or fraud actually occurred. The Contracting Authority shall notify the Contractor in writing of the suspension. Suspension shall take effect on the day the Contractor receives the notification or at a later date where the notification so provides. The Contracting Authority shall as soon as possible give written notice to the Contractor whether the suspension is lifted and provision of the services shall resume or inform that it intends to terminate the Contract or an order form pursuant to the provisions in Article II.12.1 point (f) or (j). The Contractor shall not be entitled to claim compensation on account of suspension of the Contract, of an order form or of part thereof.

## **II.12 – TERMINATION OF THE CONTRACT**

### **II.12.1 Grounds for termination by the Contracting Authority**

The Contracting Authority may terminate the Contract or an order form in the following circumstances:

- (a) if provision of the services under a pending order form has not actually started within 15 (fifteen) calendar days of the scheduled date and the Contracting Authority considers the new date proposed, if any, unacceptable, taking into account the provisions in Article II.19.2;
- (b) if the Contractor is unable, through his own fault, to obtain any permit or licence required for performance of the Contract;
- (c) if the Contractor does not implement the Contract or perform the order form in accordance with the tender specifications (Annex I) or is in breach of another substantial contractual obligation or repeatedly refuses to sign order forms; termination of 3 (three) or more order forms in these circumstances also constitutes grounds for termination of the Contract;
- (d) if the Contractor or any person that assumes unlimited liability for the debts of the Contractor is in one of the situations provided for in points (a) and (b) of Article 106(1) of the financial rules applicable to the general budget of the European Union;
- (e) if the Contractor or any related person is subject to any of the situations provided for in points (c) to (f) of Article 106(1) or to Article 106(2) of the financial rules applicable to the general budget of the European Union;
- (f) if the procedure for awarding the Contract or the implementation of the Contract prove to have been subject of substantial errors, irregularities or fraud;
- (g) if the Contractor does not comply with applicable obligations under environmental, social and labour law established by national law, collective agreements or by the international environmental, social and labour law provisions;
- (h) if the Contractor is in a situation that could constitute a conflict of interest or a professional conflicting interest as referred to in Article II.3;
- (i) if a change to the Contractor's legal, financial, technical, organisational or ownership situation is likely to substantially affect the implementation of the Contract or substantially modify the conditions under which the Contract was initially awarded;
- (j) in the event of force majeure, where either resuming implementation is impossible or the necessary ensuing amendments to the Contract or an order form would mean that the tender specifications (Annex I) are no longer fulfilled or result in unequal treatment of tenderers or contractors;

- (k) if the needs of the Contracting Authority change and it no longer requires new services under the Contract; in such cases, on-going order forms remain unaffected;

#### **II.12.2 Grounds for termination by the Contractor**

The contractor may terminate the Contract or an order form in the following circumstances:

- (a) if it has evidence that the Contracting Authority has committed substantial errors, irregularities or fraud in the procedure for awarding the Contract or the implementation of the Contract;
- (b) if the Contracting Authority fails to comply with its obligations, in particular the obligation to provide information needed for the Contractor to implement the Contract or to perform an order form as provided in the tender specifications (Annex I);
- (c) in case of force majeure, notified in accordance with Article II.8, where performance thereof cannot be ensured for a period corresponding to at least one fifth of the period laid down in Article I.2.3.

#### **II.12.3 Procedure for termination**

A party shall formally notify the other party in writing of its intention to terminate the Contract or an order form stating the grounds for termination.

The other party shall have 30 (thirty) calendar days following the date of receipt of the notification to submit observations, including the measures it has taken to continue fulfilling its contractual obligations. Failing that, the decision to terminate becomes enforceable the day after the time limit for submitting observations has elapsed.

Within 15 (fifteen) calendar days of receipt of the observations, the party intending to terminate the Contract or an order form shall formally notify the other party either of the withdrawal of its intention to terminate or of its final decision to terminate.

In the cases referred to in points (a) to (d), (g) to (i), (k) and (l) of Article II.12.1 and in Article II.12.2, the date on which the termination takes effect must be specified in the formal notification.

In the cases referred to in points (e), (f) and (j) of Article II.12.1, the termination takes effect on the day following the date on which the contractor receives notification of the termination.

In addition, at the request of the Contracting Authority and regardless of the grounds for termination, the Contractor shall provide all necessary assistance, including information, documents and files, to allow the Contracting Authority to complete, continue or transfer the services to a new contractor or internally, without interruption or adverse effect on the quality or continuity of the services. The parties may agree to draw up a transition plan detailing the Contractor's assistance unless such a plan is already detailed in other contractual documents or in the tender specifications (Annex I). The Contractor shall provide such assistance at no additional cost, except if it can demonstrate that it requires substantial additional resources or

means, in which case it must provide an estimate of the costs involved and the parties will negotiate an arrangement in good faith.

#### **II.12.4 Effects of termination**

In the event of the Contracting Authority terminating the Contract or an order form in accordance with the provisions in Article II.12.1, and without prejudice to any other measures provided for in the Contract, the Contractor shall waive any claim for consequential damages, including any loss of anticipated profits for uncompleted services, unless the loss was caused by one of the situations specified in Article II.12.2.

On receipt of the letter terminating the Contract or a pending order form, the Contractor shall take all appropriate measures to minimise costs, prevent damage, and cancel or reduce its commitments. It shall draw up the documents required by the Special Conditions or the order form for the tasks already executed or the services already provided up to the date on which termination takes effect, and produce an invoice if necessary, within a period not exceeding 60 (sixty) calendar days from that date.

The Contractor is liable for any damage incurred by the Contracting Authority as a result of termination of the Contract or an order form in the cases referred to under points (a) to (i) of Article II.12.1, including the cost of appointing another contractor to provide or complete the services. The Contracting Authority may claim compensation for any such damage and recover any sums paid to the Contractor under the Contract.

### **II.13 – LIQUIDATED DAMAGES**

#### **II.13.1 Delay in delivery**

If the Contractor fails to perform its contractual obligations within the applicable time limits set out in the Contract, including the tender specifications (Annex I), the Contracting Authority may claim liquidated damages for each and every calendar day of delay according to the formula  $0.3 \times (V/d)$ , where V is the price of the relevant purchase or deliverable or result, and d is the duration specified in the relevant order form for delivery of the relevant purchase or deliverable or result, or failing that, the period between the date specified in Article I.4.2 and the date of delivery or performance specified in the relevant order form, expressed in calendar days.

Liquidated damages may be imposed together with a reduction in price under the conditions laid down in Article II.14.

#### **II.13.2 Procedure**

The Contracting Authority shall formally notify the Contractor of its intention to apply liquidated damages and the corresponding calculated amount.

The Contractor may submit observations against this decision within 30 (thirty) calendar days of receipt of the formal notification. In the absence of reaction on the part of the Contractor, the decision becomes enforceable the day after the time limit for submitting observations has elapsed.

If the Contractor submits observations, the Contracting Authority shall notify the contractor in writing within 15 (fifteen) calendar days of receipt of the observations of the withdrawal of its intention to apply liquidated damages, or of its final decision to apply liquidated damages and the corresponding amount.

#### **II.13.3 Nature of the liquidated damages**

The parties expressly acknowledge and agree that any amount payable under this Article is not a penalty and represents a reasonable estimate of fair compensation for the damage incurred due to failure to provide the services within the applicable time limits set out in the Contract, including the tender specifications (Annex I).

#### **II.13.4 Claims and liability**

Any claim for liquidated damages does not affect the Contractor's actual or potential liability or the Contracting Authority's rights under Article II.12.

### **II.14 – REDUCTION IN PRICE**

#### **II.14.1 Quality standards**

If the Contractor fails to provide the service in accordance with the Contract or an order form ("unperformed obligations") or if it fails to provide the services in accordance with the expected quality levels specified in the tender specifications (Annex I) ("low quality delivery"), the Contracting Authority may reduce or recover payments proportionally to the seriousness of the unperformed obligations or low quality delivery. This includes in particular cases where the Contracting Authority cannot approve a result, report or deliverable as specified in Article II.15.5 after the Contractor has submitted the required additional information, correction or new version.

A reduction in price may be imposed together with liquidated damages under the conditions set in Article II.13.

#### **II.14.2 Procedure**

The Contracting Authority shall formally notify the Contractor in writing of its intention to reduce payment and the corresponding calculated amount.

The Contractor may submit observations against this decision within 30 (thirty) calendar days from receipt of the formal notification. In the absence of reaction on the part of the Contractor, the decision becomes enforceable the day after the time limit for submitting observations has elapsed.

If the Contractor submits observations, the Contracting Authority shall notify the contractor in writing within 15 (fifteen) calendar days of receipt of the observations of the withdrawal of its



intention to reduce payment, or of its final decision to reduce payment and the corresponding amount.

#### **II.14.3 Claims and liability**

Any reduction of price does not affect the Contractor's actual or potential liability or the Contracting Authority's rights under Article II.12.

### **II.15 – PAYMENT ARRANGEMENTS**

**II.15.1** Payments shall be deemed to have been made on the date when the Contracting Authority's account is debited.

**II.15.2** Payments shall be made in EUR.

**II.15.3** The Contracting Authority makes any conversion between the euro and another currency at the daily euro exchange rate published in the Official Journal of the European Union, or failing that, at the monthly accounting exchange rate, as established by the European Commission and published on its website, applicable on the day when it issues the payment order.

The Contractor makes any conversion between the euro and another currency at the monthly accounting exchange rate, established by the European Commission and published on its website, applicable on the date of the invoice.

**II.15.4** The costs of transfer are borne as follows:

- The Contracting Authority bears the costs of dispatched charged by its bank;
- The Contractor bears the costs of receipt charged by its bank;
- The party causing repetition of transfer bears the costs for repeated transfer.

**II.15.5** The Contracting Authority may suspend the payment period referred to in Article I.5 at any time by notifying the Contractor that its invoice cannot be processed either because it does not comply with the Contract, or because the contractor has not produced the appropriate documents or deliverables, or because the Contracting Authority has observations on the documents or deliverables submitted with the invoice.

The Contracting Authority shall notify the Contractor accordingly as soon as possible, stating the reason for suspension of the payment. Suspension shall take effect from the date of dispatch of the notification. The remaining payment period shall resume from the date on which the requested information or revised documents are received or the necessary further verifications, including on-the-spot checks, are carried out. Where the suspension period exceeds 2 (two) months, the Contractor may request the Contracting Authority to justify the continued suspension.

Where the payment periods have been suspended following rejection of a document referred to in the first paragraph of this article and the new document produced is also rejected, the Contracting Authority reserves the right to terminate the order form in accordance with Article II.12.1 (c).

**II.15.6** On expiry of the payment period specified in Article I.5, and without prejudice to the provisions in Article II.15.5, the Contractor is entitled to claim interest on late payment at the rate applied by the European Central Bank for its refinancing operations in euros (“the reference rate”) plus 8 (eight) points (“the margin”). The reference rate shall be the rate in force on the first day of the month in which the payment period ends, as published in the C series of the Official Journal of the European Union.

The suspension of the payment period in accordance with Article II.15.5 may not be considered as giving rise to late payment.

Interest on late payment shall cover the period running from the day following the due date for payment up to and including the date of the actual payment as defined in Article II.15.1. However, when the calculated interest is EUR 200 or less, it shall be paid to the Contractor only upon request within 2 (two) months of receiving late payment.

## **II.16 – RECOVERY**

**II.16.1** If an amount is to be recovered under the terms of the Contract, the Contractor shall repay the Contracting Authority the amount in question.

**II.16.2** Before recovery, the Contracting Authority shall formally notify the Contractor of its intention to recover the amount it claims, specifying the amount due and the reasons for recovery and inviting the Contractor to make any observations within 30 (thirty) calendar days of receipt.

In the absence of reaction from the part of the Contractor or if, despite the observations submitted, the Contracting Authority decides to pursue the recovery procedure, it must confirm recovery by formally notifying a debit note to the Contractor, specifying the date of payment. The Contractor shall pay in accordance with the provisions specified in the debit note.

In the event of failure to pay by the due date specified in the debit note, the Contracting Authority may, after informing the Contractor in writing, recover the amounts due either by offsetting them against any amounts owed to the Contractor by the Contracting Authority, or by calling in a financial guarantee if the Contractor has provided one to the Contracting Authority, or by taking legal action.

**II.16.3** If the Contractor does not honour the obligation to pay the amounts due by the date set by the Contracting Authority in the debit note, the amount due shall bear interest at the rate indicated in Article II.15.6. Interest shall be payable from the calendar day following the due date for payment up to the date when the Contracting Authority receives the full amount owed. Any partial payment is first entered against charges and interest on late payment and then against the principal amount.

## **II.17 – TAXATION**

**II.17.1** The Contractor shall have sole responsibility for compliance with the tax laws which apply to it. Failure to comply shall make the relevant invoices invalid.

**II.17.2** The Contractor acknowledges that the Contracting Authority is, as a rule, exempt from all taxes and dues, including value added tax (VAT), pursuant to the provisions of the International Agreement on Establishment of the Regional School of Public Administration (ReSPA) and the Host Country Agreement between ReSPA and the Government of Montenegro. Therefore, ReSPA is not subject to any VAT in Montenegro.

The Contractor shall accordingly complete the necessary formalities with the relevant authorities to ensure that the goods and services required for the performance of the Contract are exempt from taxes and duties, including VAT.

**II.17.3** Invoices presented by the Contractor shall contain the Contractor's identification data, the amount, the currency and the date, as well as the reference to the Contract and the order form. In addition, invoices presented by the Contractor shall indicate its place of taxation for VAT purposes and shall specify separately the amounts not including VAT and the amounts including VAT.

## **II.18 – CHECKS AND AUDITS**

**II.18.1** The Contracting Authority may check or require an audit on the performance of the Contract. This may be carried out by the Contracting Authority's staff or by any other outside body authorised to do so on their behalf. Such checks and audit may be initiated at any time during the performance of the Contract.

The audit procedure shall be deemed to be initiated on the date of receipt of the relevant letter sent by the Contracting Authority. Audits shall be carried out on a confidential basis.

**II.18.2** The Contractor shall keep all original documents stored on any appropriate medium, including digitised originals when they are authorised by the national law and under the conditions laid down therein, for a period of 5 (five) years starting from the date of payment of the balance of the last order form issued under this Contract.

**II.18.3** The Contractor shall allow the Contracting Authority's staff and outside personnel authorised by the Contracting Authority the appropriate right of access to sites and premises where the Contract is performed and to all the information, including information in electronic format, needed in order to conduct such checks and audits. The Contractor shall ensure that the information is readily available at the moment of the check or audit and, if so requested, that information be handed over in an appropriate format.

**II.18.4** On the basis of the findings made during the audit, a provisional report shall be drawn up and communicated to the Contractor who shall have 30 (thirty) calendar days following the date of receipt to submit observations. The final report shall be sent to the Contractor within 60 (sixty) calendar days following expiry of that deadline. On the basis of the final audit findings, the Contracting Authority may recover all or part of the payments made in accordance with Article II.16 and may take any other measures which it considers necessary.

## II.19 – AMENDMENTS

**II.19.1** Any amendment to the Contract or an order form shall be the subject of a written agreement concluded between the contracting parties before fulfilment of all their contractual obligations. An oral amendment shall not be binding on the contracting parties. An order form may not be deemed to constitute an amendment to the Contract.

**II.19.2** Any amendment may not have the purpose or the effect of making changes to the Contract or to order forms which might alter the initial conditions of the procurement procedure or result in unequal treatment of tenderers or contractors.

### SIGNATURES

For [Insert Contractor's official name],  
[Name of the legal representative]  
[Function]

Signature: \_\_\_\_\_

Done at [complete], on [date]

For the Regional School of Public  
Administration,  
Ms Ratka Sekulovic  
Director

Signature: \_\_\_\_\_

Done at Danilovgrad, on [date]

### ANNEX III – MODEL FOR ORDER FORM

<b>Regional School of Public Administration Branelovica bb, 81400 Danilovgrad, Montenegro</b>	<b>Order Form</b>	<b>Order No:</b>
<b>NAME OF THE EVENT:</b>		<b>This order is governed by the Framework Contract No.</b> <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> <b>in force from</b> _____ <b>to</b> _____
<b>ACTIVITY NUMBER:</b> (if applicable)		<b>Place of delivery/performance:</b>
<b>DATE OF THE EVENT (from-to):</b>	<b>No. OF PARTICIPANTS:</b>	<b>Name and address of Contractor:</b>

DESCRIPTION OF SERVICES:										
No.	Weekday	BREAKFAST			LUNCH			DINNER		
		QUANTITY (No. of meals)		TIMING (From - To)	QUANTITY (No. of meals)		TIMING (From - To)	QUANTITY (No of meals)		TIMING (From - To)
		Regular meals	Veg. meals		Regular meals	Veg. meals		Regular meals	Veg. meals	
1										
2										
3										
4										
5										
DESCRIPTION OF GOODS OR SERVICES (If differed from those specified above):								UNIT	QUANTITY	
1										
2										
3										
4										
5										
<b>ADDITIONAL COMMENTS:</b>										

The request for payment shall be admissible only if the Contractor returns a signed copy of this Order Form along with delivery specification, signed by ReSPA Representative and the invoice. Payment: 30 days from receipt of admissible invoice.

<b>ReSPA authorizing Officer:</b>  <b>Signature:</b>  <b>Date:</b>	<b>Contractor's authorized representative:</b>  <b>Signature:</b>  <b>Date:</b>
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