**VOLUME 2**

**SECTION 3  
  
SPECIAL CONDITIONS** **FOR EUROPEAN UNION EXTERNAL ACTIONS**

**CONTENTS**

These conditions amplify and supplement the general conditions governing the contract. Unless the special conditions provide otherwise, the general conditions remain fully applicable. The numbering of the articles of the special conditions is not consecutive but follows the numbering of the general conditions. Exceptionally, and with the approval of the competent European Commission departments, other clauses can be indicated to cover particular situations.

**Contract value**

The contracting authority hereby agrees to pay to the contractor, in consideration of the execution and completion of the works and remedying of defects therein, the amount of the contract value mentioned in article 2 of the Main Conditions or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the contract. VAT will be paid in compliance with the binding regulations, national law and international agreements concerning the execution of the project.

The amount of the contract value mentioned in article 2 of the Main Conditions shall be composed of:

* Contract price (excluding VAT/other taxes) EUR <amount>
* **The EU component EUR[[1]](#footnote-1)<amount>]**

**[where necessary, <enter other sources of financing>]**

- VAT and other taxes [EUR]

**Order of precedence of contract documents**

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

1. The main conditions
2. the special conditions,
3. the general conditions,
4. Only for contracts financed by post 2021 instruments (NDICI, IPA III, etc. [only where the PRAG Procedural rules are chosen in the special conditions]): applicable only if the contract is a transnational contract: the PRAG Procedural rules on conciliation and arbitration.]
5. the breakdown of lump-sum price,
6. the technical and/or performance specifications,
7. the design documentation (drawings),
8. the tender form
9. any other documents forming part of the contract.

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

**Article 2 Language of the contract**

2.1 The language used shall be English.

**Article 4 Communication**

4.1 Communication details

4.4 Communication via electronic exchange system (EES)

An electronic system will be used by the contracting authority and the contractor for all stages of implementation including, inter alia, management of the contract (amendments and administrative orders), reporting (including reporting on results) and payments. The contractor will be required to register in and use the appropriate electronic exchange system to allow for the e-management of the contract.

4.5 & 4.6 Mail or email communication

If communications through the Portal have not been activated or a certain type of communication is not yet supported by the Portal, communications will be sent via email, or, exceptionally, on paper, via mail services, to the following addresses, until communications via the Portal are activated.

For the purpose of this contract, mail or email communications must be sent to the following addresses:

Contracting Authority

Full name: CULTURE CENTRE PIROT

Full official address:  Srpskih vladara 77, 18 300 Pirot , Serbia;

Email [domkulturepirot@gmail.com](mailto:domkulturepirot@gmail.com)

Contractor (or leader in the case of a joint tender):

[*Full name*]

[*Function*]

[*Company name*]

[*Full official address*]

Email: [*complete*]

**Article 5 Supervisor and supervisor’s representative**

5.2 The powers of the Supervisor and its representatives shall be exercised in accordance with Serbian legislation. The purpose of the Service Contract is to provide an Independent Construction Supervisor for the implementation of the construction works required by the Project, in full compliance with the Serbian legislation governing construction works, including the provisions of the Law on Planning and Construction and all applicable by-laws and regulations. All representatives of the Supervisor shall be appointed by the Contracting Authority in accordance with the Law on Planning and Construction. The prior written approval of the Contracting Authority shall be required whenever the Supervisor is to decide on the quantity and/or quality of the works, any type of additional payment, any extension of time, or any other variation..

5.3 Any approval, inspection, certificate, examination, instruction, proposal, request, test, or other similar action by the Supervisor shall not relieve the Contractor of any of their duties and responsibilities under this Contract, including responsibility for any errors, faults, or discrepancies. The Contractor shall ensure that the Supervisor has unrestricted access to the facility and to all documentation relevant to the execution of this Contract and the works herein. The Supervisor shall also have access to all materials or items to be installed on the sites prior to their actual installation.

5.4 Instructions and/or orders issued by the Supervisor shall be issued as administrative orders and must comply with the Law on Planning and Construction. All administrative orders issued by the Supervisor shall be prepared in three copies: one for the Supervisor, one for the Contracting Authority, and one for the Contractor.

**Article 7 Subcontracting**

7.3 Subcontracting is allowed.

The maximum allowable portion of the Contract Price that may be subcontracted is 30%. Subcontractors must meet the eligibility criteria applicable to the award of the Contract. They must not fall under the exclusion criteria set out in the Tender Dossier, and the Contractor shall ensure that subcontractors are not subject to any EU restrictive measures.

**Article 8 Documents to be provided**

8.1 Within fifteen (15) days of the signing of the Contract, the Contracting Authority and the Supervisor’s representatives shall provide the Contractor, free of charge, with a copy of the drawings prepared for the execution of the Contract, as well as a copy of the specifications and other Contract documents. Upon the issuance of the final acceptance, the Contractor shall return all drawings, specifications, and other Contract documents to the Contracting Authority.

If either Party becomes aware of any technical mistake or fault in a document prepared for the execution of the works on site, that Party shall promptly notify the other Party of such mistake or fault.

**Article 9 Access to the site**

9.1 The contractor is reminded that there is a head of delegation of the European Unionin the state of the contracting authority. The contractor is obliged to give the head of delegation free access to its sites, factories, workshops, etc., and generally assist the head of delegation, like the project Supervisor, in the performance of his duties. The same provisions also apply to the appointed representatives of the head of delegation.

**Article 12 General obligations**

12.9 The visibility measures must comply with the rules laid down in the Communication and Visibility Manual for EU External Actions published by the European Commission and <https://ipa-bgrs.mrrb.bg/en/term/5/node/171>

The contractor is obliged to place a temporary information board during the construction process and a permanent information board at the end of the construction process at the site of the construction. The two boards should comply with its minimum obligation toward visibility laid down in the Visibility Guidelines of the Interreg-IPA CBC Bulgaria-Serbia Programme, which are published on <https://ipa-bgrs.mrrb.bg/>

**Article 15 Performance guarantee**

15.1 The amount of the performance guarantee will be 7 % of the amount of the contract and any addenda thereto.

The performance guarantee shall be delivered within 15 days of the conclusion of the Contract

15.8 Within 60 days after the deliverance of the certificate of provisional acceptance according to Article 60.1 and the completion of any outstanding work or reservation,the performance guarantee may be released.

**Article 16 Liabilities and insurance**

16.1 a)

By way of derogation from Article 16.1, a) paragraph 2, of the general conditions, compensation for damage to the works resulting from the contractor's liability in respect of the contracting authority is capped at an amount equal to the contract value.

16.1 b)

By way of derogation from Article 16.1, b), paragraph 2, of the general conditions, compensation for damage resulting from the contractor's liability in respect of the contracting authority is capped at an amount equal to the contract value.

16.2 a)

By derogation from Article 16.2(a) first paragraph of the general conditions,, the contractor shall ensure that itself, its personnel, its subcontractors and any person for which the contractor is answerable, are adequately insured with insurance companies recognized on the international insurance market, unless the contracting authority has given its express written consent on a specific insurance company.]

16.2 a)

By derogation from Article 16.2(a) paragraph 2 of the general conditions , contractor shall provide the contracting authority and the supervisor with all cover notes and/or insurance certificates showing that the contractor's obligations relating to insurance are fully respected.

In accordance with the provisions of the Serbian public procurement legislation, as published in the Official Gazette of the Republic of Serbia, Nos. 91/2019 and 92/2023, The Contractor/Successful Tenderer is required to maintain liability insurance covering the structural soundness of the works, in compliance with the Law on Planning and Construction of the Republic of Serbia, for a period of two (2) years following final acceptance (handover of the works)

Upon the handover of the works, the Contractor shall submit to the Contracting Authority a bank guarantee for the elimination of defects during the warranty period. The bank guarantee shall be unconditional and payable upon first demand, in the amount of five percent (5%) of the total value of the executed works, excluding VAT, and shall remain valid for an additional five (5) days following the expiration of the warranty period.

Upon submission of the bank guarantee for the elimination of defects and the commencement of the warranty period, the performance guarantee shall be considered released.

The Contracting Authority shall be entitled to draw on the bank guarantee for the elimination of defects if the Selected Tenderer fails to remedy any defects that may impair the usability of the subject of the contract during the warranty period.

The financial security instrument shall be returned to the Contractor upon fulfilment of the relevant contractual obligations.

**Article 17 Programme of implementation of tasks**

**17.1** The Contractor shall submit to the Supervisor a simplified programme for the implementation of the works. The programme shall include, at a minimum, the sequence and time limits within which the Contractor proposes to carry out the works and shall be based on the tranches foreseen in Article 49.1 of the Special Conditions.

**17.2** Within ten (10) days of receipt of the programme, the Supervisor shall review the document and return it to the Contractor together with any relevant comments, unless the Supervisor, within the same period, notifies the Contractor of its intention to convene a meeting in order to discuss the submitted documents.

**17.3** In the event of unforeseen circumstances or the need for additional works, the Contracting Authority shall obtain prior approval from the Managing Authority.

**Article 19 Contractor’s drawings and execution studies**

19.1 All correspondence between the Contractor and the Contracting Authority shall be conducted in accordance with the Law on Planning and Construction of the Republic of Serbia and all other applicable legislation

The Contractor shall submit Construction diary daily to the Supervisory authority to sign it. The Contractor will periodically submit all needed documents to the supervisory authority to sign it until the period of making the situations. Signing of the situations will be the basis for the procedure of payment to the Contractor.

In case of some unforeseen circumstance on the building site, contractor should make detailed explanation and submitted for the Supervisor’s approval, if applicable

19.7 Language of the manuals and drawings is language of the Contract, but also should be translated in Serbian

**Article 20 Sufficiency of tender prices**

No derogation from General conditions

**Article 21 Exceptional risks**

21.4 No derogation from General conditions

**Article 24 Interference with traffic**

24.1The Contractor is responsible for obtaining all necessary permits for carrying out the works, including approvals from public companies and other institutions managing cultural facilities of special importance.

24.2 No major operations, especially cutting through, crossing, or closing existing roads, water conduits, or other public utilities, shall be carried out without the Supervisor’s written consent. The Contractor must notify the Supervisor at least 7 calendar days in advance to ensure proper supervision and safety measures.

**Article 27 Demolished materials**

27.2 Demolition materials are the property of the Contracting Authority in accordance to Technical specification and work description for this contract

27.4 The Contractor is obligated to remove demolition material.

**Article 29 Temporary works**

29.2 Design of particular temporary works is not the responsibility of the contracting authority.

**Article 30 Soil studies**

30.1 No derogation from General conditions

**Article 32 Patents and licenses**

32.1 No derogation from General conditions

**Article 34 Period of implementation of tasks**

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34.1 The construction works shall commence on the date the Contractor is granted Site access, as recorded in the Construction Diary by the Supervisor.

The period of implementation of tasks is maximumu 9 months.

**Article 36 Delays in the implementation of tasks**

36.1

The rate of liquidated damages for delays in the completion of works shall be 0.1% of the contract price for every day or part thereof which elapses between the end of the period of implementation of tasks and the actual date of completion, up to a maximum amount of 10 % of the contract price or, if the contract is subdivided into phases, 10 % of the price of the phase concerned.

**Article 39 Work register**

39.1 A work register shall, be kept on the site by the Contractor. Work register at least will contain the following information:

1. the weather conditions, interruptions of work owing to inclement weather, hours of work, number and type of workers employed on the site, materials supplied, equipment in use, equipment not in working order, tests carried out *in situ,* samples dispatched, unforeseen circumstances, as well as orders given to the Contractor; This data will be in form of Construction dairy (Log) in serbian: (Građevinski dnevnik), Construction Book (“Građevinska knjiga”, Inspection Book (“Knjiga inspekcije”) according to Serbian Law of Planning and Construction.
2. Detailed statements of all the quantitative and qualitative elements of the work done and the supplies delivered and used, capable of being checked on the site and relevant in calculating payments to be made to the Contractor

39.2 Technical rules for drawing up statements should be in accordance with Serbian Law of Planning and Construction.

**Article 40 Origin and quality of works and materials**

40.1 All goods purchased and materials under the contract may originate in any country.

40.2 The works and the objects, appliances, equipment or materials used in their construction must comply with:

(\*) The works and objects, equipment or materials used in their construction must comply as a minimum with the Technical Specifications, volume 3, part of the Contract.

(\*) the requirements of Serbian standards and codes according to Serbian Law of Planning and Construction

40.3 Preliminary technical acceptance is not necessary.

**Article 41 Inspection and testing**

Any part on the reconstructed object can be inspected and tested according with Serbian Law of Planning and Construction

**Article 43 Ownership of plant and materials**

43.2 The equipment, temporary structures, plant and materials on the site shall for the duration of the execution of the works, be vested in the contracting authority.

**Article 44: General principles for payments**

44.1 Payments shall be made in EUR if the Contractor is registered outside of Serbia, or in RSD if the Contractor is registered in Serbia. For payments in EUR, the amount in RSD shall be calculated based on the exchange rate of the Euro as published by **Infor Euro** in the month of the tender launch.

44.3 By derogation, Interim payments to the Contractor of the amounts due under each of the interim payment certificates approved by the supervisor shall be made within 45 days by Contracting authority and the final payment to the Contractor of the amounts due after the final statement of account issued by the Supervisor shall be made within 30 days from the day of final statement account.

(a) Payments shall be made in EUR or RSD according to the following schedule:

(b) First Interim Payment – up to 30% of the contract price, upon submission of the required documentation for the First Temporary Situation (Prva Privremena Situacija) and approval by the Supervisor as evidence of completed works. Payment shall be made within 60 calendar days (2 months) from the commencement date of works.

(c) Second Interim Payment – up to 50% of the contract price, upon submission of the required documentation for the Second Temporary Situation (Druga Privremena Situacija) and approval by the Supervisor as evidence of completed works. Payment shall be made within 150 calendar days (5 months) from the commencement date of works.

(d) Final Payment – the remaining balance (up to 100% of the total realized contract value), upon submission of the required documentation for the Final Temporary Situation (Okončana Situacija), following positive technical acceptance of the works and issuance of the Final Acceptance Certificate, with approval by the Supervisor as evidence of completed works. Payment shall be made within 9 months from the commencement date of works.

Payments will be authorised and made by Culture centre Pirot , Srpskih vladara 77, Pirot

**Article 46 Pre-financing**

46.1 Not applicable

**Article 47 Retention monies**

47.1 Not applicable

**Article 48 Price revision**

Contract price is fixed and shall not be revised.

**Article 49 Measurement**

49.1 [**(\*)** This is a lump‑sum contract.

It will be will be defined through the measurement of the percentage of works carried out in relation to the firm quantities of each item of the Breakdown of the Lump-sum Price and by applying that percentage to the lump-sum price of the related item and also on the base of construction book (if applicable) by measuring the material used in construction works in accordance with national legislation in the field of construction works.

**Article 50 Interim payments**

50.1 In order to obtain interim payment the Contractor must forward to the Contracting Authority referred to paragraph 44.3, the payment request and provisional situation on finished works signed by Supervisor. Interim payment shall be previously checked and signed by the Supervisor.

**Article 51 Final statement of account**

51.(1) and (2)

51.1 The contractor shall, submit to the supervisor a draft of Closing account with supporting documents showing in detail the value of the work done in accordance with the contract and all further sums which the contractor considers to be due to it under the contract.

51.2 Within 30 days from issuing of the Certificate of completition, the supervisor shall prepare and signed the Closing account supervisor shall prepare and signed the Closing account.

**Article 53 Delayed payments**

53.1 By derogation from Article 53.1 of the general conditions, once the time-limit referred Article 44.3 has expired, the contractor shall be entitled to late-payment interest at the rate and for the period mentioned in the general conditions.

However, when the interest calculated in accordance with the first subparagraph is lower than or equal to EUR 200, it shall be paid to the creditor only upon a demand submitted within two months of receiving late payment

**Article 60 Provisional acceptance**

60.1 In addition to Article 60.1 of the General Conditions, Provisional Acceptance of Works shall be regarded as the Final Acceptance of Works. Provisional Acceptance shall be organized only when 100% of the contracted works have been completed. No partial acceptance shall be allowed.

The Acceptance of Works shall be carried out in accordance with the applicable Serbian Law on Planning and Construction. It shall follow the completion of all works, as confirmed by the Contractor. The Contractor shall inform the Supervisor and the Contracting Authority in writing that all works under the contract have been completed.

Upon receipt of the Contractor’s written notification, the Contracting Authority shall organize the Acceptance of Works (“Tehnički prijem objekta”) within 30 days and, if all works are fully completed and comply with the requirements of the Building Permit, the Final Design, and this Contract, shall issue a Certificate of Acceptance of Works (“Zapisnik o tehničkom prijemu”).

**Article 61 Defects liability**

61.1 The defects liability period is defined as the period commencing on the date of provisional acceptance, during which the contractor is required to make good any effect in, or damage to, any part of the work which may appear or occur during this period as notify by the supervisor or the contracting authority. The rights and obligations of the parties with regard to this defects liability period are laid down in Article 61 of the general conditions.

61.6 The defects liability work necessitated by normal wear and tear is not obliged to be carried out by the Contractor.

61.7 The duration of the Defects Liability Period shall be thirty (30) days. In relation to the Defects Liability Period defined under this Contract, the Contractor shall remain liable for any defects in the Works in accordance with the applicable legislation of the Republic of Serbia.

Upon technical acceptance and hand over of the Works, the Contractor shall be obliged to submit to the Contracting Authority a bank guarantee for the elimination of defects during the warranty period of two years/24 months , in accordance with Article 16 of the Special Conditions.

**Article 68 Dispute settlement**

68.4 Any dispute arising out of or relating to this Contract which cannot be settled otherwise shall be referred to the exclusive jurisdiction of Commercial Court Niš (“Privredni Sud u Nišu”) applying the national legislation of the Contracting Authority.

**Article 72 Data protection**

1. Processing of personal data related to the implementation of the contract by the contracting authority takes place in accordance with the national legislation of the state of the contracting authority and with the provisions of the respective financing agreement.

2. To the extent that the contract covers an action financed by the European Union, the Contracting Authority may share communications related to the implementation of the contract, with the European Commission. These exchanges shall be made to the Commission, solely for the purpose of allowing the latter to exercise its rights and obligations under the applicable legislative framework and under the financing agreement with the Partner country – contracting authority. The exchanges may involve transfers of personal data (such as names, contact details, signatures and CVs) of natural persons involved in the implementation of the contract (such as contractors, personnel, experts, trainees, subcontractors, insurers, guarantors, auditors and legal counsel). In cases where the contractor is processing personal data in the context of the implementation of the contract, he/she shall accordingly inform the data subjects of the possible transmission of their data to the Commission. When personal data is transmitted to the Commission, the latter processes them in accordance with Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC[[2]](#footnote-2) and as detailed in the specific privacy statement published at ePRAG.

**Article 73**

**Further additional clauses**

Not applicable

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1. In the event of cofinancing, the EU-contribution must normally be entered as a lump sum in euro. [↑](#footnote-ref-1)
2. OJ L 205 of 21.11.2018, p. 39. [↑](#footnote-ref-2)