



Republika e Kosovës
Republika Kosova-Republic of Kosovo

Qeveria - Vlada - Government

Ministria e Integrimit Evropian
Ministarstvo za Evropske Integracije - Ministry of European Integration

SERVICE CONTRACT

Negotiated Procedure without Prior Publication of Contract Notice

CONTRACT SECTION I:

Ministry of European Integration, Address: Ramiz Sadiku New Co-Building, Nr.120, Floor I, Procurement Division, Pristina, 10 000, Kosovo, Contact: +383 (0) 38 200 27 010, (hereinafter referred as **Contracting Authority**) on the one part;

and

Madison Global Strategies LLC, Address: 114 E 71st, Apt 7E, 10021, New York, NY USA (hereinafter referred as "**Service Provider**"), on the other part,

have agreed to conclude contract for the following services:

International consulting services for the needs of the Ministry of European Integration, reference number: 218-19-3085-2.1.5 Inter. No: MIE-218/19/016/215

Article 1 Subject

1.1 The subject of this contract is to establish the terms, including the unit prices and the implementing rules for the provision of the following services, in line with the mandatory specific requirements of the tender dossier on page 20, financial offer submitted by the economic operator on 22 May 2019 and final negotiations outcome conducted between the Ministry of European Integration and Madison Global Strategies LLC from 23 May until 06 June 2019.

Table 1: *A financial offer negotiated and agreed between the Ministry of European Integration and Madison Global Strategies LLC.*

TEM NO.	DESCRIPTION	UNIT /QTY	UNIT PRICE WITHOUT VAT- € PER MONTH	Total price without VAT €
1	International consulting services for the needs of the Ministry of European Integration	9 MONTHS	\$ 19.000,00	\$ 171.000,00
OVERALL TOTAL:		\$ 171.000,00 & 06.06.2019 is € 152,232.00		

The contract of such services was agreed to be for the months: nine months, from the entry into force of the contract.

1.2 During the implementation of the contract MEI will ask the following services (Technical Specifications): In order to address challenges in the Euro-Atlantic process and meeting the European Integration criteria foreseen in strategic documents of the Republic of Kosovo, the Ministry of European Integration considers that a sustainable level of international consultancy for the need of the Ministry of European Integration is deemed necessary with the economic operator Madison Global Strategies LLC. Therefore, the Ministry of European Integration, within the inter-institutional coordination, monitoring and reporting between institutions of the Republic of Kosovo with international partners and organizations requires the strategic, legal and political expertise, and within this consultancy requires:

- *ensuring, in particular, strategic planning in strengthening the position of the Republic of Kosovo in international organizations and institutions of the European Union,*
- *ensuring, in particular, strategic planning in strengthening the sector of security and rule of law of the Republic of Kosovo,*
- *promoting the Republic of Kosovo in key events of European Union and international organizations,*
- *counselling the Republic of Kosovo in meeting the criteria in the EU integration processes,*
- *assists the Republic of Kosovo in strategic processes and donor coordination, and*
- *other deliverables as required from the contracting authority (MEI).*

1.3 It is important to note that the only manner in which Madison Global Strategies LLC and Ministry of European Integration can operate and implement joint objectives at the EU level is if the contract is implemented on the basis of *confidentiality, exclusivity, trust and integrity*.

1.3 The service contract shall be implemented by "place orders" or call-offs, i.e. whenever the Contracting Authority intends to acquire services pursuant to this service contract, it shall send a "Place Order" to the Service provider, specifying the list of the services to be performed with their respective quantities.

1.3 The quantities estimated, specified in the Part C, Price Schedule, are only indicative quantities. The Contracting Authority is obliged to use this service contract whenever procuring services mentioned in 1.1.

1.4 The contract enters into force on the day of signature by both parties and terminates after 9 months according to article 1.1.

Article 2 Completion time

2.1 The time limit for the performance of the services shall be within 30 days in accordance with mandatory technical specifications.

2.2 The place of the performance of the services shall be EU and the USA in particular.

Article 3 Price

3.1 The unit prices of the services are shown in the Financial Offer submitted by the Service Provider on 6 June 2019 - according to the agreed price after the negotiations.

3.2 The total value of the contract is \$ 171,000.00 without VAT after the final negotiated conclusion, and that converted in euro on 06.06.2019 is € 152,232.00. In letters: *one hundred and seventy-one thousand euros* without VAT.

3.3 The unit prices referred to in Article 3.2 above shall be the sole remuneration owed by the Contracting Authority to the Service Provider under this service contract.

3.3 The unit prices shall be firm and shall not be subject to revision for orders placed under this service contract

3.4 Payments shall be made in accordance with the General or Special Conditions of the Contract.

3.5 The payment shall be made every 3 months. The payment shall be made less than 30 days after invoices issuing.

3.6 The payment will only be made after submitting substantial reports as agreed after the negotiations between the two parties so that it is easier for the accession commission.

The payments shall be made at economic operator bank account at **JP Morgan Chase bank, Postcode 10021: Bank Account 387259879 IBAN 021202337 (BIC:).**

Article 4 Order of precedence of contract documents

4.1 The contract is made up of the following documents:

- (a) Special Conditions of Contract;
- (b) General Conditions of Contract;
- (c) The Service Provider's Tender, including Technical Specifications;

- (d) The financial offer;
- 4.2 The various documents making up the contract shall be deemed to be mutually explanatory; in cases of ambiguity or divergence, they should be read in the order in which they appear above.

Article 5 Communications

5.1 Any written communication relating to this Contract between the Contracting Authority, on the one hand, and the Service Provider on the other must state the Contract title and identification number and must be done in writing.

5.2 If the sender of a communication requires acknowledgement of receipt, this shall be indicated in the communication. Whenever there is a deadline for the receipt of a written communication, the sender should ask for an acknowledgement of receipt of his communication. In any event, the sender shall take all necessary measures to ensure receipt of his communication.

5.3 Wherever the contract provides for the giving or issue of any notice, consent, approval, certificate or decision, unless otherwise specified in a such notice, consent, approval, certificate or decision shall be in writing and the words "notify", "certify", "approve" or "decide" shall be construed accordingly. Any such consent, approval, certificate or decision shall not unreasonably be withheld or delayed.


5.4 This contract is done in English in three originals, two originals being for the Contracting Authority and one original being for the Service Provider.

For the Contracting Authority
Ministry of European Integration

Name & Surname:	Fitim Mustafa
Position:	Responsible Procurement Officer
Signature:	
Date:	17.06.2019
Stamp:	

Name & Surname:	Kushtrim Cukaj	Name:	Dhurata Hoxha
Position:	General Secretary	Position:	Minister
Signature:		Signature:	
Date:	17/06/2019	Date:	17.06.2019
Stamp:		Stamp:	

For the Service Provider
Madison Global Strategies LLC, 114 E 71st, Apt 7E, 10021, New York, NY USA

Name & Surname:	Joseph Allaham
Position:	Managing Director
Signature:	
Date:	6/10/2019
Stamp:	

CONTRACT SECTION II: GENERAL CONDITION

Article 1 Definitions

1.1 **"Contract"** means the agreement entered into between the Contracting Authority and the Service Provider, as recorded in the Contract Form signed by the Parties, including all attachments and appendices thereto and all documents incorporated by reference therein.

1.2 **"Services"** means the services to be performed by the Service Provider pursuant to the Specifications and the Price Description included in the Service Provider's Tender.

1.3 **"Service Provider"** is the Economic Operator or group of the Economic Operators, appointed in the contract form, which is party to the contract and obligated to perform the tasks according to the agreement, and which for the performed tasks shall obtain the amount agreed in the contract form.

1.4 **"Personnel"** means persons engaged by the Service Provider or by any Sub-contractor as employees and assigned to the performance of the Services or any part thereof.

1.5 **"Contract Price"** means the sum stated in the Agreement representing the total amount payable for the provision of the Services.

1.6 **"Subcontractor"** means any natural person, private or government entity, or a combination of the above, including its legal successors or permitted assigns, to whom any part of the Services to be provided or execution of any part of the Services is subcontracted by the Service Provider.

1.7 **"Party"** means the Contracting Authority or the Service Provider, as the case may be, and "Parties" means both of them.

1.8 **"Contracting Authority"** means the authority purchasing the Services, as specified in the Contract.

1.9 **"GCC"** means General Conditions of Contract.

1.10 **"SCC"** means Special Conditions of Contract.

Article 2 Applicable Law and language

2.1 The SCC shall specify the law governing all matters not covered by the contract.

2.2 The contract and all written communications between the parties will be drafted in the language specified in the SCC.

Article 3 Assignment

3.1 An assignment shall be valid only, if it is a written agreement by which the Service Provider transfers his contract or part thereof to a third party.

3.2 The Service Provider may not, without the prior written consent of the Contracting Authority, assign the contract or any part thereof, or any benefit or interest there under, except in the following cases:

- a) a charge, in favor of the Service Provider's bankers, of any amount due or to become due under the contract; or
- b) the assignment to the Service Provider's insurers of the Service Provider's right to obtain relief against any other person liable in cases where the insurers have discharged the Service Provider's loss or liability.

3.3 For the purpose of Article 3.2, the approval of an assignment by the Contracting Authority shall not relieve the Service Provider of his obligations for the part of the contract already performed or the part not assigned.

3.4 Assignees must satisfy the eligibility criteria applicable for the award of the contract except in cases where assignments are done to a bank or an insurance company or other financing institution.

Article 4 Subcontracting

4.1 A subcontract shall be valid only if it is a written agreement by which the Service Provider entrusts performance of a part of his contract to a third party.

4.2 The elements of the contract to be subcontracted and the identity of the subcontractors shall be notified to the Contracting authority upon the tender submission. In case of change of subcontractors during the implementation of the contract, the Contractor shall notify in writing to the Contracting Authority. The contracting authority shall notify the Contractor of its decision within 30 days of receiving the notification, stating its reasons if authorization is withheld. The Contractor shall not subcontract without the written authorization of the Contracting Authority. All the proposed subcontractors must meet eligibility

requirements.

4.3 The Contracting Authority recognizes no contractual link between itself and the subcontractors; however it may vouch, where deemed necessary, for direct payments to subcontractors.

4.4 The Service Provider shall be responsible for the acts, defaults and negligence of his subcontractors and their agents or employees, as if they were the acts, defaults or negligence of the Service Provider, his agents or employees. The approval by the Contracting Authority of the subcontracting of any part of the contract or of the subcontractors shall not relieve the Service Provider, of any of his obligations under the contract

Article 5 Taxes and Duties

5.1 The Service Provider is responsible for all taxes and customs duties in compliance with the Law of the Republic of Kosovo. All taxes and other costumes duties consider that they are included in the contract price.

5.2 The Project Manger shall adjust the Contract Price if taxes, duties, and other levies are changed between the date 28 days before the submission of tenders and the date of the last completion certificate.

5.3 The Project Manager shall not adjust the contracted price in the amount of the tax increases and /or increases of the custom duties if this happened during the time that the service provider has been in delay.

Article 6 Commencement and Completion of services

6.1 The Service provider shall commence the services as soon as is reasonably possible after the signing of the contract, the receipt of the order with due expedition and without delay.

6.2 The Service Provider shall complete the activities within the time limit specified in Article 2 of the Contract Form. If the Service Provider does not complete the activities within the time limit, it shall be liable to pay liquidated damage. In this case, the Completion Date will be the date of completion of all activities.

Article 7 Extension of period of completion

7.1 The Service Provider may request an extension to the period of execution if his performance of the contract is delayed, or expected to be delayed, for any of the following reasons:

- a) failure of the Contracting Authority to fulfil its obligations under the contract;
- b) force majeure as defined in Article 8;

7.2 Within 15 days of realizing that a delay might occur, the Service provider shall notify the Contracting Authority of his intention to make a request for extension of the period of performance to which he considers himself entitled and, save where otherwise agreed between the Service Provider and the Contracting Authority, within 30 days of the same point in time provide the Contracting Authority with comprehensive details so that the request can be examined.

7.3 Within 30 days of receipt of the details mentioned in 7.2, the Contracting Authority shall by written notice to the Service Provider grant such extension of the period of performance as may be justified, either prospectively or retrospectively, or inform the Service provider that he is not entitled to an extension.

Article 8 Force majeure

8.1. Neither party shall be considered to be in breach of its obligations under the contract if the performance of such obligations is prevented by any circumstances of force majeure which arise after the date of notification of the award or the date when the contract becomes effective.

8.2. The term "force majeure", as used herein shall mean acts of God, strikes, lock-outs or other industrial disturbances, acts of the public enemy, wars, whether declared or not, blockades, insurrection, riots, epidemics, landslides, earthquakes, storms, lightning, floods, washouts, civil disturbances, explosions, and any other similar unforeseeable events, beyond the control of either party and which by the exercise of due diligence neither party is able to overcome.

8.3. A party affected by an event of force majeure shall take all reasonable measures to remove such party's inability to fulfill its obligations hereunder with a minimum of delay.

8.4. The Service Provider shall not be liable for liquidated damages or termination for default if its delay in performance or other failure to perform its obligations under the contract is the result of an event of force majeure. The Contracting Authority shall similarly not be liable to payment of interest on delayed payments, for non-performance or for termination for default if the Contracting Authority's delay or other failure to perform its obligations is the result of force majeure.

8.5. If either party considers that any circumstances of force majeure have occurred which may affect performance of its obligations it shall notify the other party immediately giving details of the nature, the probable duration and likely effect of the circumstances. Unless otherwise directed by the Project Manager in writing, the Service Provider shall continue to perform its obligations under the contract as far as is reasonably practicable, and shall seek all reasonable alternative means for performance of its obligations which are not prevented by the force majeure event. The Service Provider shall not put into effect such alternative means unless directed so to do by the Project Manager.

Article 9 Termination of the Contract by the Contracting Authority

9.1 The Contracting Authority may, after giving the Service Provider 7 days' notice, terminate the contract in any of the following cases:

- (a) the Service Provider fails to comply within a reasonable time with the notice given by the Contracting Authority requiring it to make good the neglect or failure to perform its obligations under the contract which seriously affects the proper and timely performance of the services;
- (b) the Service Provider refuses or neglects to carry out administrative orders given by the Contracting Authority;
- (c) the Service Provider assigns the contract or sub-contracts without the authorization of the Contracting Authority;
- (d) the Service Provider becomes bankrupt or is being wound up, is having its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, is the subject of proceedings concerning those matters, or is in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- (e) the Service Provider has been convicted of an offence concerning its professional conduct by a judgment which has the force of *res judicata*;
- (f) the Service Provider has been guilty of grave professional misconduct proven by any means which the Contracting Authority can justify;
- (g) the Service Provider has been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organization;
- (h) any organizational modification occurs involving a change in the legal personality, nature or control of the Service Provider, unless such modification is recorded in an addendum to the contract;
- (i) any other legal disability hindering performance of the contract occurs;
- (j) the Service Provider fails to provide the required guarantees or insurance, or the person providing the underlying guarantee or insurance is not able to abide by its commitments.

9.2 Termination shall be without prejudice to any other rights or powers of the Contracting Authority and the Service Provider under the contract. The Contracting Authority may, thereafter, conclude any other contract with a third party on behalf of the Service Provider.

9.3 The Contracting Authority shall, upon the issue of the notice of termination of the contract, instruct the Service Provider to take immediate steps to bring the services to a close in a prompt and orderly manner and in such a way as to keep costs to a minimum.

9.4 In the event of termination, the Contracting Authority shall, as soon as possible and in the presence of the Service Provider or his representatives or having duly summoned them, draw up a report on the services performed. A statement shall also be drawn up of monies due to the Service Provider and of monies owed by the Service Provider to the Contracting Authority as at the date of termination of the contract.

9.5 The Contracting Authority shall not be obliged to make any further payments to the Service Provider until the services are completed, whereupon the Contracting Authority shall be entitled to recover from the Service Provider the extra costs, if any, of providing the service provider or shall pay any balance due to the Service Provider prior to the termination of the contract.

9.6 If the Contracting Authority terminates the contract it shall be entitled to recover from the Service Provider any loss it has suffered under the contractual conditions.

Article 10 Termination of the Contract by the Service Provider

10.1 The Service Provider may, after giving 14 days' notice to the Contracting Authority, terminate the contract if the Contracting Authority;

- a. fails to pay the Service Provider the amounts due under any certificate issued by the authorizing person after the expiry of the deadline stated;
- b. consistently fails to meet its obligations after repeated reminders; or

c. if, as the result of Force Majeure, the Service Provider is unable to perform a material portion of the Services for a period of not less than sixty (60) days.

10.2 Termination shall be without prejudice to any other rights or powers under the contract of the Contracting Authority and the Service Provider.

10.3 In the event of termination in accordance with (a) and (b) under section 10, the Contracting Authority shall pay the Service Provider for any loss or injury the Service Provider may have suffered.

Article 11 Service Provider's obligations

11.1 The Provider shall perform the Services under the contract with due care, efficiency and diligence, in accordance with best professional practices.

11.2 The Service Provider shall comply with administrative orders given by the Contracting Authority. Where the Service provider considers that the requirement of an administrative order goes beyond the scope of the contract, he shall, on pain of breach of contract, notify the Contracting Authority thereof, giving his reasons, within 30 days of receipt of the order. Execution of the administrative order shall not be suspended because of this notice.

11.3 The Service Provider shall respect and abide by all laws and regulations in force in the Republic of Kosovo and shall ensure that his personnel, their dependents, and his local employees also respect and abide by all such laws and regulations.

11.4 The Service Provider shall treat all documents and information received in connection with the contract as private and confidential. He shall not, save in so far as may be necessary for the purposes of the contract's execution, publish or disclose any particulars of the contract without the prior consent in writing of the Contracting Authority.

11.5 If the Service Provider is a consortium of two or more persons or corporations, all such persons or corporations shall be jointly and severally bound to fulfil the terms of the contract. The person designated by the consortium to act on its behalf for the purposes of this contract shall have the authority to bind the consortium. The composition of the group shall not be altered without the prior consent in writing of the Contracting Authority.

11.6 The Service Provider shall employ the key personnel identified in his Tender to carry out the functions stated in his Tender. Moreover, in the course of performance, and on the basis of a written and justified request, the Contracting Authority can ask for a replacement if it considers that a member of staff is inefficient or does not perform its duties under the contract. The Contracting Authority shall approve any proposed replacement of key personnel only if their relevant qualifications and abilities are substantially equal to or better than those identified.

Article 12 Contracting Authority's obligations

12.1 The Contracting Authority shall supply the Service Provider promptly with any information and/or documentation at its disposal which may be relevant to the performance of the contract. Such documents shall be returned to the Contracting Authority at the end of the period of implementation of the tasks.

12.2 The Contracting Authority shall as far as possible co-operate with the Service Provider to provide information that the latter may reasonably request in order to perform the contract.

12.3 The Contracting Authority shall nominate a "Project Manager", indicated in the SCC, who will be responsible for the supervision of the performance of the services at all the time and for reporting for any detail to the Contracting Authority.

Article 13 Liquidated damages

13.1 If the Service Provider fails under his own responsibility to perform any or all of the services within the time limit(s) specified in the contract, the Contracting Authority shall, without formal notice and without prejudice to its other remedies under the contract, be entitled, for every day which shall elapse between the expiry of the contractual period and the actual date of completion, to liquidated damages equal to 0,25% in days of the value of the unperformed services to a maximum of 10% of the total value of the place order. The Contracting Authority may deduct liquidated damages from any payments due to the Service Provider. Payment of liquidated damages shall not affect the Service Providers' liabilities.

13.2 If the non-performance of any of the services prevents the normal use of the services as a whole, the liquidated damages provided for in paragraph 13.1 shall be calculated on the basis of the total value of the place order.

13.3 If the Contracting Authority has become entitled to claim at least 10% of the place order it may, after

giving written notice to the Service Provider:

- a. In case the Contracting Authority has procured on his own behalf only, with one economic operator:
 - *seize the performance guarantee;*
 - *terminate the contract, in which case the Service Provider will have no right to compensation; and*
 - *enter into a contract with a third party for the provision of the balance of the services. The Service Provider shall not be paid for this part of the contract. The Service Provider shall also be liable for the additional costs and damages caused by his failure.*
- b. In case the Contracting Authority has procured on his own behalf only, with several economic operators:
 - *seize the performance guarantee;*
 - *terminate the place order, in which case the Service Provider will have no right to compensation. The Service Provider shall also be liable for the additional costs and damages caused by his failure; and*
 - *re-open competition with the remainder of the Economic Operators party to the public framework contract.*
- c. In case the Contracting Authority has procured on behalf of other Contracting Authorities, with one economic operator:
 - *The Contracting Authority placing the order terminates the place order and retenders, in which case the Service Provider will have no right to compensation. The Service Provider shall also be liable for the additional costs and damages caused by his failure; and*
 - *Notify the contracting authority that conducted the procurement of the misconduct of the Economic Operator and asks the mentioned contracting authority to seize a proportional part, equivalent to 10% of the place order issued, of the performance guarantee and forward the amount to the Contracting Authority.*
- d. In case the Contracting Authority has procured on behalf of other Contracting Authorities, with several economic operators:
 - *Notify the contracting authority that conducted the procurement of the misconduct of the Economic Operator and asks the mentioned contracting authority to seize a proportional part, equivalent to 10% of the place order issued, of the performance guarantee and forward the amount to the Contracting Authority;*
 - *terminate the place order, in which case the Service Provider will have no right to compensation. The Service Provider shall also be liable for the additional costs and damages caused by his failure; and*
 - *re-open competition with the remainder of the Economic Operators party to the public framework contract.*

Article 14 Performance Security – N/A

14.1 The Service Provider shall, not later than the day of signing the contract, furnish the Contracting Authority with a guarantee for the full and proper performance of the contract. The amount of the performance security is specified in the SCC. The performance guarantee shall be held against payment to the Contracting Authority for any loss resulting from the Service Provider's failure to perform his contractual obligations fully and properly.

14.2 The guarantee shall continue to remain valid 30 days after the issue of the Certificate of Completion.

14.3 The performance guarantee of the contract shall be in the format given in Section IV of this contract.

Article 15 Insurance to be taken out by the Service Provider – N/A

15.1 The Service Provider shall take out and maintain, and shall cause any Subcontractors to take out and maintain, at their own cost but on terms and conditions approved by the Contracting Authority, insurance against the risks, and for the coverage, as shall be specified in the SCC.

15.2 The Service Provider shall at the Contracting Authority's request, provide evidence to the Contracting Authority that such insurance has been taken out and maintained and that the current premiums have been paid.

Article 16 General principles of payment

16.1 The payments shall be made in Euro – through international transfer. The payments due according to an invoice issued by the Service Provider shall be made to the bank account mentioned on Section V, **Financial Identification**, of this contract, completed by the Service Provider. The same form, annexed to the payment request, must be used to report changes of bank account.

16.2 Sums due shall be paid within no more than 30 days from the date on which an admissible payment request is registered by the competent department. The date of payment shall be the date on which the institution's account is debited. The payment request shall not be admissible if one or more essential requirements are not met.

16.3 The 30-day period may be suspended by notifying the Service provider that the payment request cannot be fulfilled because the sum is not due, provided or because there is evidence that the expenditure might not be eligible. In the latter case, an inspection may be carried out on the spot for the purpose of further checks. The Service provider shall provide clarifications, modifications or further information within 15 days of being asked to do so. The payment period shall continue to run from the date on which a properly drawn-up payment request is registered.

16.4 Once the deadline laid down in Article 16.2 has expired, the Service provider may, within two months of late payment, claim late-payment interest at the discount rate applied by the Central Bank of Kosovo on the first day of the month in which the deadline expired, plus seven percentage points. The late-payment interest shall apply to the time which elapses between the date of the payment deadline (exclusive) and the date on which the Contracting Authority's account is debited (inclusive).

16.5 Any default in payment of more than 90 days from the expiry of the period laid down in Article 16.2 shall entitle the Service Provider either not to perform the contract or to terminate it, with 30 days' prior notice to the Contracting Authority.

16.6 N/A - In case a Contracting Authority is procuring on behalf of other Contracting Authorities, and a contracting authority does not fulfil its obligations according to this contract especially the obligations of Article 16.2 the service provider may inform CPA of such violation. CPA may ban the contracting authority from using any and all of the central public framework contracts issued by CPA.

Article 17 Quality Control

17.1 The principle and modalities of Inspection of the Services by the Contracting Authority shall be as indicated in the SCC. The Contracting Authority shall check the Service Provider's performance and notify him of any Defects that are found. Such checking shall not affect the Service Provider's responsibilities. The Contracting Authority may instruct the Service Provider to search for a Defect and to uncover and test any service that the Contracting Authority considers may have a Defect. Defect Liability Period is as defined in the SCC.

Article 18 Correction of Defects

18.1 The Contracting Authority shall give notice to the Service Provider of any Defects before the end of the Contract. The Defects liability period shall be extended for as long as Defects remain to be corrected.

18.2 Every time notice a Defect is given, the Service Provider shall correct the notified Defect within the length of time specified by the Contracting Authority's notice.

18.3 If the Service Provider has not corrected a Defect within the time specified in the Contracting Authority's notice, the Contracting Authority will assess the cost of having the Defect corrected, the Service Provider will pay this amount, and a Penalty for Lack of Performance calculated as described in Article 13.1.

Article 19 Consequences of Breach of contract

19.1 A Party shall be in a breach of contract if it fails to discharge any of its obligations under the contract as described in Article 9 and 10.

19.2 Where a breach of contract occurs, the injured Party shall be entitled to the following remedies:

- a) damages; and/or
- b) termination of the contract.

19.3 In addition to the above-mentioned measures, damages may be awarded. They may be either:

- a) general damages; or
- b) liquidated damages.

19.4 Recovery of damages, disbursements or expenses resulting from the application of measures provided for in this Article shall be affected by deduction from the sums due to the Service Provider, from the deposit, or by payment under the guarantee.

Article 20 Amicable dispute settlement

20.1 The Parties shall make every effort to settle amicably any dispute which may arise between them. Once a dispute has arisen, the Parties shall notify each other in writing of their positions on the dispute and any solution which they consider possible. If either Party deems it useful, the Parties shall meet and try and settle the dispute. A Party shall respond to a request for amicable settlement within 15 days of such a request. The maximum period laid down for reaching such a settlement shall be 30 days from the commencement of the procedure. Should the attempt to reach an amicable settlement fail or a Party fail to respond in time to requests for a settlement, either Party shall be free to proceed to the next stage of the dispute-settlement procedure by notifying the other.

20.2 If the amicable dispute-settlement procedure fails, the Parties may agree to try conciliation through the institution specified in SCC. If no settlement is reached within 30 days of the start of the conciliation procedure, each Party shall be entitled to move on to the next state of the dispute-settlement procedure.

Article 21 Dispute settlement by litigation

21.1 If no settlement is reached within 30 days of the start of the amicable dispute-settlement procedure, parties under joint written agreement may seek either:

a) a ruling from a court; or

b) where the parties agree, an arbitration ruling in accordance with the SCC.

21.2 Dispute settlement model i.e. courts or arbitration shall be decided by the parties before contract signature.

Article 22 Indemnity

22.1 The Service Provider will defend and indemnify the Contracting Authority and its present and former officers, directors, employees, and agents and hold it and them harmless from and against any costs, losses, damages, and fees incurred by the Contracting Authority including but not limited to attorneys fee and expenses in connections with any: negligence or willful misconduct by the Service Provider, breach or alleged breach of the Service Providers representations, claim by a third party that provision of this Services by the Service Provider or the use by or on behalf of the Contracting Authority or of any assets used or provided by the Service Provider in connection with the performance of the services infringes Intellectual Property Rights of that third party.