

**CONTRACT FOR CONSULTING SERVICES
SMALL ASSIGNMENTS
LUMP-SUM PAYMENTS**

FSRP/CS-2/SSS-1/TF012004

between

Public Procurement Agency, Moldova
(the Client)

and

SC “DAAC SYSTEM INTEGRATOR” SRL, Moldova
[the Consultant]

June 24, 2013

CONTRACT CS-2/SSS-2/TF012004

THIS CONTRACT ("Contract") is entered into this **24** day of the month of **June 2013**, by and between the **Public Procurement Agency (PPA)**, fiscal code *1009601000304*, having its principal place of business at: 53, Hincesti str., Second Floor, MD-2028, Chisinau, Republic of Moldova, Chisinau, Tel.: + 373 22 23-41-35; Fax.: +373 22 73-33-00 (hereinafter referred to as "the Client"), *on the one hand*, and **SC "DAAC SYSTEM INTEGRATOR" SRL**, fiscal code *1006600054871*, having its principal place of business at: 10, Calea Iesilor str., Chisinau, Moldova, MD-2026, Tel./Fax.: +373 22-509 700; (hereinafter referred to as "the Consultant"), *on the other hand*.

WHEREAS, the Client wishes to have the Consultant performing the services of **Development of e-Procurement System under the "Strengthening Public Procurement Project"**, hereinafter referred to,

WHEREAS, the Client received the Grant **"Strengthening Public Procurement Project"** and intends to apply a part of these funds for performing the services hereinafter referred to, and

WHEREAS, the Consultant is willing to perform these services,

NOW THEREFORE THE PARTIES hereby agree as follows:

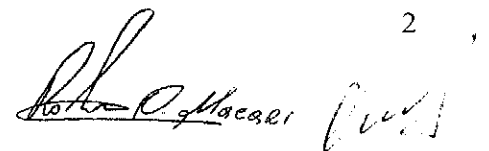
1. **Services**
 - (i) The Consultant shall perform the services specified in Annex A, "Terms of Reference and Scope of Services," which is made an integral part of this Contract ("the Services").
 - (ii) The Consultant shall provide the personnel listed in Annex B, "Consultant's Personnel" to perform the Services.
 - (iii) The Consultant shall submit to the Client the reports in the form and within the time periods specified in Annex C, "Consultant's Reporting Obligations."

2. **Term**

The Consultant shall perform the Services during the period commencing **June 24, 2013** and continuing through **January 24, 2014**, or any other period as may be subsequently agreed by the parties in writing.

3. **Payment**
 - A. Ceiling

For Services rendered pursuant to Annex A, the Client shall pay the Consultant an amount not to exceed **USD 92,205.00 (ninety-two thousand two hundred five US dollars – 00 USD cents)**. This amount has been established based on the understanding that it includes all of the Consultant's costs and profits as well as any tax obligation that may be imposed on the Consultant. The cost of Consultants' services will be imposed by 0% (zero) Value added tax rate in Moldova, because the services financed from World Bank funds are imposed with zero rate Value Added Tax (VAT) in Moldova according to the Government Decisions No. 246 as of April 08, 2010, and art. 104 c¹) of Fiscal Code as of April 24, 1997, the Services procured under the Strengthening Public Procurement Project TF012004, are exempted from VAT (zero VAT must

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be applied). The Breakdown of the Contract Price is attached as Annex D.

B. Schedule of Payments

The schedule of payments is specified below:

- ✓ advance payment in the amount of *USD18,441.00 (eighteen thousand four hundred forty-one US dollars – 00 USD cents)* against the submission of a demand guarantee for the same;
- ✓ 2nd payment upon acceptance of the Progress Report, delivered after 3 months from start of implementation including updated detailed work plan – *USD18,441.00 (eighteen thousand four hundred forty-one US dollars – 00 USD cents)*;
- ✓ final payment upon acceptance of the Final Progress Report and signing of the final handover Act of works – *USD55,323.00 (fifty-five thousand three hundred twenty three US dollars – 00 USD cents)*.

C. Payment Conditions

Payment shall be made in **Moldovan Lei** equivalent by converting respective amount in **USD** using National Bank of Moldova official exchange rate at the day of payment, as furnished by the National Bank of Moldova. The payment will be made not later than 30 days following submission by the Consultant of invoices in duplicate to the Coordinator designated in paragraph 4.

Payments shall be made to Consultant's bank account

SC "DAAC SYSTEM INTEGRATOR" SRL - Bank details

Fiscal code 1002600001338

Bank Account: 225100000302545

Bank: BC "Victoriabank" SA

filiala nr.11 Chisinau

mun. Chisinau, bd. Stefan cel Mare 73

BIC (Swift): VICBMD2X883

4. **Project Administration**

A. Coordinator

The Client designates **Mr. Ghenadie Grib, Vice-director of Public Procurement Agency as Client's Coordinator**; the Coordinator will be responsible for the coordination of activities under this Contract, for acceptance and approval of the reports and of other deliverables by the Client and for receiving and approving invoices for the payment. The payments under the Contract will be made by PPA.

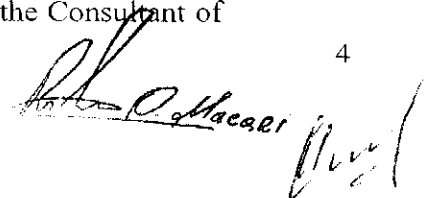
B. Reports.


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The reports listed in Annex C, "Consultant's Reporting Obligations," shall be submitted in the course of the assignment, and will constitute the basis for the payments to be made under paragraph 3.

- 5. Performance Standards** The Consultant undertakes to perform the Services with the highest standards of professional and ethical competence and integrity.
- 6. Inspections and Auditing** The Consultant shall permit the Bank and/or persons or auditors appointed by the Bank to inspect and/or audit its accounts and records and other documents relating to the submission of the Proposal to provide the Services and performance of the Contract. Any failure to comply with this obligation may constitute a prohibited practice subject to contract termination and/or the imposition of sanctions by the Bank (including without limitation s determination of ineligibility) in accordance with prevailing Bank's sanctions procedures.
- 7. Confidentiality** The Consultants shall not, during the term of this Contract and within two years after its expiration, disclose any proprietary or confidential information relating to the Services, this Contract or the Client's business or operations without the prior written consent of the Client.
- 8. Ownership of Material** Any studies reports or other material, graphic, software or otherwise, prepared by the Consultant for the Client under the Contract shall belong to and remain the property of the Client. The Consultant may retain a copy of such documents and software.
- 9. Consultant Not to be Engaged in Certain Activities** The Consultant agrees that, during the term of this Contract and after its termination, the Consultant and any entity affiliated with the Consultant, shall be disqualified from providing goods, works or services (other than the Services and any continuation thereof) for any project resulting from or closely related to the Services.
- 10. Insurance** The Consultant will be responsible for taking out any appropriate insurance coverage.

The Consultant is not entitled to any paid annual leave and sick leave, while this is a civil contract.
- 11. Assignment** The Consultant shall not assign this Contract or sub-contract any portion of it without the Client's prior written consent.
- 12. Modifications or Variations** Any modification or variation of the terms and conditions of this Contract, including any modification or variation of the scope of the Services, may only be made by written agreement between the Parties, upon the prior written consent of the Bank.
- 13. Suspension** The Client may, by written notice of suspension to the Consultant, suspend all payments to the Consultant hereunder if the Consultant fails to perform any of its obligations under this Contract, including the carrying out of the Services, provided that such notice of suspension (i) shall specify the nature of the failure, and (ii) shall request the Consultant to remedy such failure within a period not exceeding fifteen (15) working days after receipt by the Consultant of


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such notice of suspension.

14. Termination

14.1 By the Client

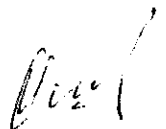
The Client may terminate this Contract in case of the occurrence of any of the events specified in paragraphs (a) through (f) of this Clause. In such an occurrence the Client shall give a not less than fifteen (15) working days' written notice of termination to the Consultants, and thirty (30) days' in case of the event referred to in (f).

- (a) If the Consultant fails to remedy a failure in the performance of its obligations hereunder, as specified in a notice of suspension pursuant to Clause 12 hereinabove, within fifteen (15) working days of receipt of such notice of suspension or within such further period as the Client may have subsequently approved in writing.
- (b) If the Consultant fails to comply with any final decision reached as a result of arbitration proceedings pursuant to Clause 18 of this Contract.
- (c) If the Consultant, in the judgment of the Client, has engaged in corrupt or fraudulent practices in competing for or in executing this Contract.
- (d) If the Consultant submits to the Client a false statement which has a material effect on the rights, obligations or interests of the Client.
- (e) If, as the result of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than thirty (30) days.
- (f) If the Client, in its sole discretion and for any reason whatsoever, decides to terminate this Contract.

14.2. By the Consultant

The Consultant may terminate this Contract, by not less than thirty (30) days' written notice to the Client, in case of the occurrence of any of the events specified in paragraphs (a) through (d) of this Clause.

- (a) If the Client fails to pay any money due to the Consultant pursuant to this Contract and not subject to dispute pursuant to Clause 18 of this contract within forty-five (45) days after receiving written notice from the Consultant that such payment is overdue.
- (b) If, as the result of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than fifteen (15) days.
- (c) If the Client fails to comply with any final decision reached as a result of arbitration pursuant to Clause 18 of this Contract.
- (d) If the Client is in material breach of its obligations pursuant to

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this Contract and has not remedied the same within thirty (30) days (or such longer period as the Consultant may have subsequently approved in writing) following the receipt by the Client of the Consultant's notice specifying such breach.

15. Fraud and Corruption

For the purpose of this clause:

"corrupt practice" means the offering, giving, receiving, or soliciting, directly or indirectly, of any thing of value to influence the action of a public official in the selection process or in Contract execution.

"fraudulent practice" means a misrepresentation or omission of facts in order to influence a selection process or the execution of a contract to the detriment of the Client, and includes collusive practice among consultants (prior to or after submission of proposals) designed to establish prices at artificial non-competitive levels and to deprive the Borrower of the benefits of free and open-competition;

"collusive practices" means a scheme or arrangement between two or more consultants, with or without the knowledge of the Client, designed to establish prices at artificial, non-competitive levels;

"coercive practices" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in a procurement process, or affect the execution of a contract.

"obstructive practice" is

(aa) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or

(bb) acts intended to materially impede the exercise of the Bank's inspection and audit rights provided for under Clause 6.

- 16. Force Majeure** (a) For the purposes of this Contract, "Force Majeure" means an event which is beyond the reasonable control of a Party, is not foreseeable, is unavoidable, and which makes a Party's performance of its obligations hereunder impossible or so impractical as reasonably to be considered impossible in the circumstances, and includes, but is not limited to, war, riots, civil disorder, earthquake, fire, explosion, storm, flood or other adverse weather conditions, strikes, lockouts or other industrial action (except where such strikes, lockouts or other industrial action are within the power of the Party invoking Force Majeure


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to prevent), confiscation or any other action by Government agencies.

- (b) Force Majeure shall not include (i) any event which is caused by the negligence or intentional action of a Party or such Party's Sub-Consultants or agents or employees, nor (ii) any event which a diligent Party could reasonably have been expected both to take into account at the time of the conclusion of this Contract, and avoid or overcome in the carrying out of its obligations hereunder.
- (c) Force Majeure shall not include insufficiency of funds or failure to make any payment required hereunder.

17. Law Governing Contract and Language

The Contract shall be governed by the laws of the Republic of Moldova, and the language of the Contract shall be English.

18. Dispute Resolution

Any dispute arising out of this Contract, which cannot be amicably settled between the parties, shall be referred to adjudication/arbitration in accordance with the laws of the Client's country

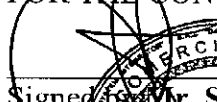
FOR THE CLIENT


Signed by **Mr. Stefan CREANGA**
Title: Director
of the Public Procurement Agency

Public Procurement Agency - Bank details

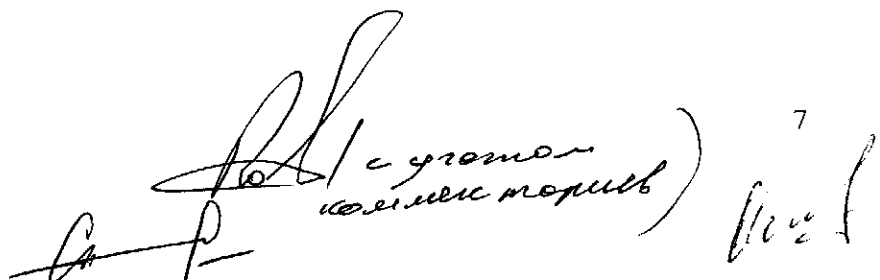
Fiscal code 1009601000304
MF TT Bugetul de Stat,
Agentia Achizitii Publice al RM
Bank Account: 227160149841
Banca de Economii fil Nr.1 Chisinau
BIC (Swift): BECOMD2X609

FOR THE CONSULTANT


Signed by **Mr. Sergiu GHINCU**
Title: Director, SC "DAAC SYSTEM INTEGRATOR" SRL

SC "DAAC SYSTEM INTEGRATOR" SRL - Bank details

Fiscal code 1002600001338
Bank Account in MDL: 225100000302545
Bank: BC "Victoriabank" SA
filiala nr.11 Chisinau
mun. Chisinau, bd. Stefan cel Mare 73
BIC (Swift): VICBMD2X883



LIST OF ANNEXES

- Annex A: Terms of Reference and Scope of Services*
- Annex B: Consultant's Personnel and the Work Plan*
- Annex C: Consultant's Reporting Obligations*
- Annex D: Breakdown of the contract price*

Annex A: Terms of Reference and Scope of Services

Development of e-Procurement System

A. Background

The World Bank has provided financial support via IDF Grant called “Strengthening Public Procurement Project” to cover the advanced development of the e-procurement system, certain capacity building and training initiatives and important public awareness initiatives with the private sector are considered to be amenable to IDF grant assistance. The IDF grant along the lines proposed will facilitate important value-added and acceleration in the reform process over the next three years.

In this context, one of the project financing lines is further development of recently launched Automated Information System "State Register of public procurement". Being developed partially, in October 2012, the AIS "State Register of public procurement", was launched in pilot mode with participation of several central public entities. Currently, 34 central public authorities, until 1 April 2013 have launched within pilot version of system about 400 tender procurement procedures.

B. Objective of the assignment:

Designing (Developing technical specifications) and implementing the new functionalities/adjustments within the AIS "State Register of Public Procurement".

C. Volume and content of work:

Both, technical specification and the process of implementation will be carried out in accordance with the Technical Regulation “Processes of software life cycle” RT 38370656-002:2006, approved by the Order No. 78 from 01.07.2006 of the Ministry of Information Technology and Communications.

It also, should be considered the stipulations of the following laws and regulations:

- Law No.96-XVI On Public Procurement, adopted on April 13, 2007;
- Law No.1166-XIII On Procurement of Goods, Works and Services for Public Needs adopted on April 30, 1997;
- Law No.1320-XIII On Registries adopted on September 25, 1997;
- Law nr. 1069-XV as of 22 June 2000 “Regarding informatics”;
- Law no.467-XV dated November 21, 2003 „on Information Technologies and Government Information Resources”;
- Government Decision No. 355 on the approval of the Technical Concept of the Automated Information System “State register of public procurement”, 8 May 2009;
- Government Decision No. 834 on approving the Regulation on Procurement of Public Works of 13 September 2010, Monitorul Oficial No. 169-171 of 17 September 2010;
- Government Decision No. 1121 on approving the Standard Documentation for Procurement of Public Works of 10 December 2010, Monitorul Oficial No. 247-251 of 17 December 2010;
- Government Decision No. 747 regarding the approval of Regulations concerning the organization, functioning, structure and staff limits of the Public Procurement Agency, 24 November 2009.

D. General content of works:

1. Optimization and upgrading the existing functionalities:

- a. Optimizing of functionalities for specification of acquisition structure by developing of tools for data structure import/export or other instruments that would facilitate the work of users;
 - b. Optimization of functionalities designated for filling the registered offers by developing of tools for import/export of data or other instruments that would facilitate the work of users;
 - c. Modifying of Tender Information Sheet (FDA) and related to business processes in order of excluding of information redundancy;
 - d. Optimizing the content, structure and format of documents generated within the system including:
 - i. The report on procurement procedure;
 - ii. The opening tender minutes;
 - iii. The tender evaluation report;
 - iv. The minutes for contract modification;
 - v. The report on contract modification;
 - vi. Information on selected winners.
 - e. Optimizing the content the bid evaluation interface by its complementing with relevant information which would facilitate the decision making process and verifying the correctness of winner selection;
 - f. Optimization of functionalities designated for coordination and registration of additional agreements;
 - g. Modernization of contract management functionalities;
2. Development of the “Configuration and generation of statistical reports” module;
 3. Integration with external information systems:
 - a. Integration with the State Tax Service Information System, especially with the module "Current account";
 4. Developing of new functionalities:
 - a. Designing and implementing of module for remediation of incorrect user’s actions;
 - b. Developing of complaints management module;
 5. Identification and integration of an antivirus solution within the system.

E. Consultant’s tasks to be performed:

- Reviewing of existing information system and information needs (data flows, existing business processes, etc.);
- General design of both new functionalities and modifications on old ones, detailed business processes, business functions and artifact model. Redesign and entry documents adaptation;
- Establish, review and evaluation of the mechanisms of interaction between system elements/interaction with other systems;
- Detailed design (defining the structure at the class level, database structure, low-level components interaction, etc.).
- Technical documentation coordination with the PPA’s management and responsible;



- Technical specification implementation, including testing at various stages of implementation;
- PPA's advanced users assistance during familiarization and testing of new functionalities.

F. Assignment Time Frame

The total duration of the assignment is **7 months** with a workload equal to **602.80 man/days** in total.

G. Warranty and Post warranty services

By signing of the acceptance documents by a license agreement, the consultant shall submit to the PPA all exclusive rights of author and property of the SIA RSAP (e-Procurement System), including the rights to:

- ✓ Use and operate the system with no limits
- ✓ Content modification
- ✓ Multiplication and dissemination
- ✓ Installation on an unlimited number of computers

This is to be done according to Moldovan law and for a period of at least 50 years.

Also consultant must:

To submit to the PPA after the assignment completion sets of program executable forms, all technical documentation and user guides required for the operation of SIA RSAP. The consultant will submit to PPA full complex of texts (codes) initial framework program of the SIA RSAP.

By the moment of signing the final delivery-acceptance document, the Consultant will provide to PPA a minimum guarantee of 36 months on the work performed. The guarantee will be limited to SIA RSAP functionalities developed under previous contracts by the consultant. During this period, the consultant is required to remove all defects arising as PPA request, all expenditures being covered from the consultant resources.

Annex B: Consultant's Personnel and the Work Plan

A. Consultant staff and workload:

NR	Name of Staff	Position	Responsibility	Monthly input/work							Grand total months
				Elaboration					Implementation		
				1	2	3	4	5	6	7	
1	Sirbu I.	Project Manager	Project management	0,3	0,3	0,3	0,3	0,3	0,3	0,3	2,10
2	Rudi I.	Analyst	Requirements gathering, analysis, preparation of technical specifications	1	1	0,25	0,25	0,25			2,75
3	Belii S.	Arhitector	Technical Design, documentation		0,5	1	1	0,25			2,75
4	Golub S.	Programmer	Programming, DB administration and configuration		0,5	1	1	1	0,25	0,25	4,00
5	Moraru A.	Lead Programmer	Programming, management of software development		0,5	1	1	1	0,25	0,25	4,00
6	Cricol P.	Programmer	Programming			1	1	1	0,5	0,5	4,00
7	Ivanov V.	Programmer	Programming				1	1	0,5	0,5	3,00
8	Mereuța Iu.	Engineer	Deployment and Integration, administration and configuration of a technological platform					0,5	0,2	0,2	0,90
9	Ciobanu A.	Trainer	Preparation of teaching materials, user training					1	0,5	0,5	2,00
10	Bogatov V.	Tester/ Consultant	Testing, consulting users in the process of testing and operation				0,5	1	0,2	0,2	1,90
Total, man/month input											27,40

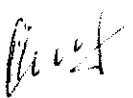
Annex C: Consultant's Reporting Obligations

A. Deliverables:

No.	Deliverables	Timetable
1.	Coordinated assignment implementation plan	1 st week
2.	Updated Technical task	By the end of 2 nd month
3.	Updated Technical project	By the end of 2 nd month
4.	Progress Report and updated implementation plan.	By the end of 3 rd month
5.	Qualification test results including functional testing and under load testing	By the end of 5 th month
6.	Updated user's guide	By the end of 6 th month
7.	Updated administrator's guide and other documentation	By the end of 6 th month
8.	Both entire system source code and system's compiled version	By the end of 6 th month
9.	Final Progress Report	By the end of 6 th month
10.	Signing the handover Act of works.	By the end of 6 th month

B. Language

Deliverables should be performed in Romanian with exception of Final Progress Report which should be performed both in Romanian and English languages.



Annex D: Breakdown of the contract price

Remuneration

NR	Name of Staff	Position	Monthly remuneration rate, USD	Monthly input/work							Grand total USD
				Elaboration					Implementation		
				1	2	3	4	5	6	7	
1	Sirbu I.	Project Manager	4,200.00	0,3	0,3	0,3	0,3	0,3	0,3	0,3	8,820.00
2	Rudi I.	Analyst	3,400.00	1	1	0,25	0,25	0,25			9,350.00
3	Belii S.	Architector	3,900.00		0,5	1	1	0,25			10,725.00
4	Golub S.	Programmer	3,200.00		0,5	1	1	1	0,25	0,25	12,800.00
5	Moraru A.	Lead Programmer	3,900.00		0,5	1	1	1	0,25	0,25	15,600.00
6	Cricol P.	Programmer	3,100.00			1	1	1	0,5	0,5	12,400.00
7	Ivanov V.	Programmer	2,700.00				1	1	0,5	0,5	8,100.00
8	Mereuța Iu.	Engineer	3,200.00					0,5	0,2	0,2	2,880.00
9	Ciobanu A.	Trainer	3,200.00					1	0,5	0,5	6,400.00
10	Bogatov V.	Tester/ Consultant	2,700.00				0,5	1	0,2	0,2	5,130.00
Total, USD											92,205.00