

**Construction Contract
on Measurement Basis**

The

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**Deutsche Gesellschaft für
Internationale Zusammenarbeit
(GIZ) GmbH
Dag-Hammarskjöld-Weg 1 - 5
D-65760 Eschborn
Federal Republic of Germany**

- hereinafter referred to as the
- "Employer" -

and

**SC „Electro Service Grup“ SRL
15, Sarmisegetusa St. Of. 403A
MD-2015, Chisinau
info@electroservicegrup.md**

- hereinafter referred to as the
- "Contractor" -

herewith enter into the following Contract

for the Project: Strengthening the Rule of Law and Anti - corruption

Mechanisms in the Republic of Moldova

Country: Republic of Moldova

For correspondence (Please quote on all correspondence and invoices)

Contract No. (Cosoft No): 83474541

Project Processing No.: 19.2178.2-007.00

Date: 23.10.2024

Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH

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Jochen Flasbarth, State Secretary

Management Board
Thorsten Schäfer-Gümbel (Chair)
Ingrid-Gabriela Hoven (Vice-Chair)
Anna Sophie Herken

Commerzbank AG Frankfurt am Main
BIC (SWIFT): COBADEFFXXX
IBAN: DE45 5004 0000 0588 9555 00

1. PURPOSE OF THE CONTRACT - SCOPE OF WORKS

1.1 The Employer awards and the Contractor takes over the execution of the following construction works: technical planning, construction and electrical works at the premises of General Prosecutor Office in Chisinau and 7 raion-level Prosecutor Offices in Cahul, Anenii Noi, Criuleni, Drochia, Floresti, Orhei and Singerei. Works are related to the preparation and installing 8 power generators (Diesel based).
(hereinafter referred to as the "**Works**")

1.2 The Employer engages herewith the Contractor to conduct these Works, for which the Contractor will be paid directly by the Employer. However, the Final Beneficiary of the results of the executed Works will be the General Prosecutor's Office of Moldova.

(hereinafter referred to as the "**Beneficiary**"), the same Beneficiary is obliged to obtain all necessary building permits needed for the performing of the herewith agreed Works.

2. CONTRACT DOCUMENTS

The priority of documents forming the Contract shall be as follows:

- 2.1 This Construction Contract
with Supplementary terms and conditions for constructions works
- 2.2 The priced Bills of Quantities (including Daywork Rates), dated 16.08.24 and 09.09.24.

3. TERMS OF EXECUTION - COMMENCEMENT OF WORKS

- 3.1 The Employer or his Authorized Representative shall give at least 7 working-days notice in writing, prior to the date of handing-over of the site to the Contractor. The Contractor shall commence the Works within 5 working-days of the date of the handing-over of site.
- 3.2 The Contractor agrees to execute and to complete the Works as described in the documents listed under Clause 2 with due care and diligence in accordance with generally accepted construction practices, especially the ones of the country in which the Works are to be carried out.
- 3.3 The Contractor shall submit a work programme not later than 5 working days after the signing of this Contract.
- 3.4 The Contractor shall supply all building materials, equipment, plant and tools necessary for the execution of the Works in due number and time.
- 3.5 The Contractor shall provide all qualified and experienced labour necessary in due number and time and shall supervise their activities with due care and diligence. The Employer or his Authorized Representative shall be entitled to object to and require the Contractor to remove from the Works any person employed by the Contractor who, in

the opinion of the Employer of his Authorized Representative, is incompetent, negligent, or guilty of misconduct.

- 3.6 No work shall be covered up or otherwise put out of view without prior approval in writing by the Employer or his Authorized Representative.
- 3.7 The Employer or his Authorized Representative shall be entitled to make any variation of the form, quantity or quality of the Works or any part thereof that may, in his opinion, be necessary or desirable (cf. Clause 4.2). No such variation shall be made without an order in writing by the Employer or his Authorized Representative.
- 3.8 Building materials and Works may be subject to tests at any time at the request of the Employer or his Authorized Representative. These tests shall be carried out as directed by the Employer or his Authorized Representative at the place of manufacture or fabrication or on site or in a testing institute. The Contractor shall provide such assistance, materials, plant, instruments and labour as required for such test. The costs of carrying out such tests shall be borne by the Contractor.
- 3.9 The Contractor shall keep the site free from all unnecessary obstructions at all times and shall remove all materials and plant which are no longer required. Upon completion of the Works he shall leave the site clean and orderly to the satisfaction of the Employer or his Authorized Representative.
- 3.10 The Contractor shall treat the details of this Contract as well as any aspects of its implementation as private and confidential, save in so far as may be necessary for the purpose thereof, and shall not publish or disclose any such information to third parties without the prior consent in writing of the Employer or his Authorized Representative. If any dispute arises as to the necessity of any publication or disclosure for the purpose of the Contract the same shall be referred to the decision of the Employer whose award shall be final.
- 3.11 The Employer or his Authorized Representative has the right for on-the-spot-checks at the site that may be carried out on request by representatives of the financing or co-financing parties (e.g. EU).

4. REMUNERATION - ADDITIONAL WORKS

- 4.1 The Employer shall pay the Contractor a Contract Price of up to

1 653 571,25 (MDL)

(One million six hundred fifty-three thousand five hundred seventy-one, 25 MDL)

in accordance with the prices stated in the Bill of Quantities and the Works actually executed and measured. The Contract Price shall be subject to such additions and deductions as may be made under the provisions of this Contract.

- 4.2 The rates and prices of the Bill of Quantities shall cover all services and works of the Contractor described in the Specifications and the Drawings. Additional works shall be remunerated only if they were ordered in writing by the Employer or his Authorized Representative and shall be valued at the prices set out in the Bill of Quantities.
- 4.3 If the Contract does not contain any rates or prices applicable to the extra or additional work, then suitable rates or prices shall be agreed upon between the Employer and the

Contractor in advance. In the event of disagreement, the Employer shall fix such rates or prices as shall, in his opinion, be reasonable and proper, taking into account all prevailing circumstances.

- 4.4 The Contractor shall invoice Value Added Tax (VAT) if and as prescribed by law; the Employer will refund the amount in addition to the remuneration.

Amount of VAT (*if applicable*): 0%

5. TIME FOR COMPLETION - PENALTY FOR DELAY

- 5.1 The Contractor shall complete the Works as listed under Clause 1 and 2 until 28.02.2025, after the handing-over of site and shall request the issue of the Taking-Over Certificate at least 3 weeks prior to the date of completion.
- 5.2 If the Contractor should fail to achieve the completion of the Works within the period prescribed in Clause 5.1, the Contractor shall pay to the Employer a penalty of one per mille (1/1000) of the Contract Price stated under Clause 4.1 for every working-day of delay up to a limit of 5 % of the Contract Price.
- 5.3 The payment of such penalty shall not relieve the Contractor from his obligation to complete the Works or from any other obligation or liability under this Contract, nor to be liable for any and/or further damages towards the Employer beyond the hereinabove set penalty, if such would incur.

6. AUTHORIZED REPRESENTATIVE AND THE ENGINEER / EXPERT - SUPERVISION OF THE WORKS

- 6.1 The site supervision shall be carried out by an authorized firm or person assigned to act on behalf of the Employer and shall exercise the rights of the Employer under this Contract. The Employer herewith appoints as Authorized Representative for the execution of the Works:

Mr. Valeriu Apostol and
Mr. Serghei Ghetiu
(herein referred to as the "Authorized Representatives")

- 6.2 The Employer shall provide expert supervision during construction of the facility, i.e. execution of the Works, for which a building permit is to be issued. Such expert supervision entails: control whether the Works are / construction is carried out in accordance with the building permit, i.e. according to the technical documentation based on which the building permit for the Works has been issued; control and verification of the quality of execution of all types of Works and application of regulations, standards and technical norms, including standards of accessibility; control and certification of the quantities of executed Works; verification whether there are proofs about the quality of the building products, equipment and plants which are installed; providing guidance to the contractor; cooperation with the designer in order to provide details of technological and organizational solutions for the performance of the Works and solving of other matters which arise during execution of Works. The Employer herewith appoints as the person/entity providing such expert supervision:

Mr. Valeriu Apostol

(hereinafter referred to as the “**Engineer**”, or “**Expert Supervision**”)

7. PAYMENTS

7.1 All payments shall be made in Moldovan Leu (MDL) to the following bank and account number of the Contractor:

BC MAIB SA
IBAN: MD65AG000000022514562324 – MDL
SWIFT: AGRNMD2X452

7.2 The parties of this Contract agree to the following payment schedule: No advance payment is foreseen for this contract.

7.2.1 Payments on account shall be made in accordance with the progress of the Works measured on site each month, in keeping with the Bill of Quantities and based on interim payment certificates by the Authorized Representative.

7.2.2 Each invoice shall be submitted in duplicate and bear the project and contract number indicated on the front page of this Contract.

7.2.3 An amount of 5 % of the total of each payment on account, i.e. of each interim payment certificate, shall be withheld by the Employer as Retention Money.

7.2.4 After the issue of the Taking-Over Certificate in compliance with the format enclosed (Annex A 9) and presentation of the final bill, i.e. of the final payment certificate, the remuneration due shall be paid reduced by 3 % of the final amount invoiced for the Contract, which shall be released after the defects liability period has expired, provided the results of the Works are free of defects. This amount may be released against the provision of a Defects Liability Guarantee, which is to be provided at the order and at the expenses of the Contractor, and that by a bank accepted by the Employer in compliance with the format enclosed (see Annex A 7).

7.2.5 The Retention of 3 % for the defects liability period will not be withheld, if the final contract amount is not exceeding the equivalent of Euro 250.000, --.

8. TAKING-OVER CERTIFICATE - DEFECTS LIABILITY PERIOD

8.1 The Employer or his Authorized Representative shall issue the Taking-Over Certificate, always co-signed by the Engineer, in compliance with the format enclosed (see Annex A 9) within 3 weeks of the date of delivery of the Contractor's request for its issue, provided that the whole of the Works have been completed in accordance with the Contract and to the satisfaction of the Employer or his Authorized Representative.

If the results of the Works have been completed except for minor faults or missing items, the Employer or his Authorized Representative shall include a statement in the Taking-Over Certificate, listing all faults and defects, missing items or outstanding works to be completed, including the date when all rectification and finishing works shall be completed.

- 8.2 The Defects Liability Period shall be twelve (12) months, starting with the date of issue of the Taking-Over Certificate.
- 8.3 Defects, faults or shrinkage due to the use of materials or workmanship not in accordance with the Contract and which arise during the defects liability period shall be made good by the Contractor immediately after notification. For these rectifications a new defects liability period shall start on their day of completion.
- 8.4 If the Contractor should fail to comply with his obligations under this Contract, the Employer shall be entitled to either make a deduction, claim damages or, giving four (4) weeks' notice to the Contractor, employ another contractor to execute the works required for rectification and to deduct all expenses arising thereon or incidental thereto from the moneys retained according to Clause 7.2.4 or 7.2.5, or to recover these from the Contractor.

9. LIABILITY - INSURANCE

- 9.1 The Contractor shall be liable for all damages caused by himself, his agents or persons employed or in any way engaged by him for the execution of the Works.
- 9.2 Engaging any subcontractors by subletting of the Works under this Contract by the Contractor or of any part thereof shall require the express written and prior consent of the Employer. This approval may be revoked at any time in case serious complaints arise. The Contractor shall be liable for all services performed by his subcontractors in the same manner as for his own services.
- 9.3 Without limiting his obligations and responsibilities under this Contract, the Contractor shall insure himself at his own expense against his liability for any material or physical damage, loss or injury which may occur to any person or property arising out of or in consequence of the performance of this Contract.
- 9.4 The insurance sum shall be as customary in the country where the works are to be executed.

10. TERMINATION OF THE CONTRACT

- 10.1 The Employer may terminate this Contract at any time either wholly or in part for individual parts of the Works.
- 10.2 Should the Employer terminate the Contract for a reason for which the Contractor is answerable, the Employer shall be entitled to claim compensation for damages. In this case the Employer shall remunerate only the works already completed, provided the Employer can use them. The Employer may offset the claim for damages against the remuneration. Any other legal rights of the Employer shall remain unaffected.
- 10.3 Should the Employer terminate the Contract for a reason for which the Contractor is not answerable, for example at the Employer's convenience, the Contractor shall be entitled to payment only for such parts of the Works that are by then already completed and to reimbursement of just the unavoidable expenses incurred prior to the date of such termination.

11. ARBITRATION AND GOVERNING LAW

- 11.1 All disputes arising out or in connection with the present Contract shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one arbitrator appointed in accordance with the said rules.
- 11.2 The law governing the Contract will be the law of the country in which the Employer has its company's seat, save for such situations, in which the laws of the country - in which the Works are to be carried out - are to be respected, as the same are explicitly envisaged by the relevant clauses of this Contract.
- 11.3 The place of arbitration will be in the city, in which the Employer has its company's seat.
- 11.4 English will be the language of arbitration.

12. COMPLIANCE WITH LEGAL PROVISIONS

When performing the work and services, the contractor must comply with all applicable legal provisions, ordinances and official regulations (including tax law provisions) and take into account the local conditions and the customary trading practices in the relevant country.

13. COPIES AND THE LANGUAGE OF THE CONTRACT

- 13.1 The contract is drawn up in duplicate. The contractor shall receive one copy thereof
- 13.2 Either party may translate - at its own expenses - this Contract into its own language, however if there should be any discrepancies between such translations and the Contract's original English wording, the latter shall prevail.

14. FINAL PROVISION

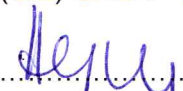
This Contract shall be modified or supplemented only by written agreement.


Chisinau, 23.10.2024

Chisinau, 23.10.2024

The Employer
Deutsche Gesellschaft für
Internationale Zusammenarbeit
(GIZ) GmbH

Contractor
SC Electro Service Grup SRL


Claudia Hermes
Country Director,
3900


Andrei Zapanovici
Head of Finance and
Administration, 3900


Stepan Gondobescu

Annexes:
A 9 Taking-Over Certificate

Supplementary terms and conditions for construction works

Version: June 2021

1. Framework conditions and sustainability

1.1 Environmental and social standards, human rights

When performing the construction works, the Contractor must observe applicable national and international environmental law, minimise greenhouse gas emissions and avoid all activities that could increase the vulnerability of the population and/or ecosystems to the effects of climate change.

The Contractor must also ensure, with due regard for international standards and multilateral agreements (in particular international agreements on human rights), that measures are in place to respect human rights, protect children, prevent violence, abuse or exploitation of any kind, prevent discrimination (in particular with regard to origin, ethnicity, religion, age, gender identity, sexual orientation or disability) and promote equality of opportunity for all genders.

The Contractor must implement appropriate measures to prevent sexual harassment at the workplace and must refrain from any incitement to violence or hatred and from any objectively unjustified discrimination against individuals or groups of people.

1.2 Labour standards and minimum wages

In performing the contract, the Contractor is obliged to comply with the fundamental principles and rights at work as stated in the Declaration of the International Labour Organization (ILO) of 18 June 1998 (freedom of association, the right to collective bargaining, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour and the elimination of discrimination in respect of employment and occupation).

In particular, the Contractor is obliged in the performance of the contract to comply with the regulations enacting the ILO core labour standards (conventions nos. 29, 87, 98, 100, 105, 111, 138 and 182) in the legislation of the country of assignment. If the country of assignment has not ratified one or more core labour standards or not enacted them in national legislation, the Contractor is obliged to comply with such regulations in the country of assignment which pursue the same goal as the core labour standards.

1.3 Avoiding unintended adverse impacts when implementing the contract

When performing the construction works, the Contractor must seek to avoid or mitigate any unintended adverse impacts on the environment, the climate, climate change adaptation, human rights, gender equality and fragile contexts involving conflict and violence by implementing attributable mitigation measures. The Contractor also undertakes to fully harness all opportunities to promote gender equality.

1.4 Legal consequences of breach of these obligations

If the Contractor breaches any of the obligations set out in section 1 and GIZ terminates the contract for this reason, responsibility for termination lies with the Contractor.

2. Integrity

2.1 Conflicts of interest

The Contractor must avoid all conflicts of interests in relation to the contract. Conflicts of interest can arise in particular as a result of commercial interests, political allegiances or national ties, links to family members or friends and other ties or interests. In particular, the Contractor undertakes:

- (a) not to accept any additional remuneration from third parties in connection with the contract;
- (b) during the term of the contract with GIZ, not to accept any other contract where a conflict of interest is to be anticipated due to the nature of that contract or due to the Contractor's personal or financial connections with a third party, unless prior consent has been given by GIZ in text form;
- (c) in relation to the contract with GIZ, not to enter into any contracts with natural or legal persons with whom it has personal or financial ties unless GIZ has previously agreed to this in writing.

The Contractor undertakes to inform GIZ without delay of any circumstances that constitute or could lead to a conflict of interest. It must discuss and agree with GIZ any further steps to be taken. If the parties are unable to reach agreement and GIZ then terminates the contract, responsibility for termination lies with the Contractor.

2.2 Integrity principles

Whether directly or via a third party, the Contractor must not offer or grant any gifts or benefits and must not accept or demand gifts or benefits for itself or others in connection with the award and/or implementation of the contract; this also applies to facilitating payments.

The Contractor must not agree any restraints on competition with one or more other companies.

Any form of corruption is prohibited. The Contractor is obliged to take appropriate and reasonable measures to prevent and combat corruption. In connection with the implementation of the contract, it is also obliged to report confirmed cases and strong suspicions of corruption and/or property offences (e.g. fraud, misappropriation and breach of trust) without delay to GIZ's whistleblower system. The whistleblower system can be accessed through the whistleblower portal at [Whistleblowing \(giz.de\)](https://www.giz.de/whistleblowing), GIZ's Integrity Advisor by email (integrity-mailbox@giz.de) and the external ombudsperson via the website at [Whistleblowing \(giz.de\)](https://www.giz.de/whistleblowing) GIZ external ombudsperson.

2.3 Consequences of breach of the integrity rules

If the Contractor breaches any of the prohibitions or obligations set out in section 2.2 and GIZ terminates the contract for this reason, responsibility for termination lies with the Contractor. In response to a breach of any of the obligations set out in section 2.2, GIZ is entitled, where appropriate, to exclude the Contractor from future tenders for a limited period.

3. Specific contractual penalties

Following any breach of the obligations set out in sections 1.1 (Environmental and social standards, human rights), 1.2 (Labour standards and minimum wages) and 2 (Integrity), the Contractor is obliged to pay a contractual penalty of EUR 25,000 in respect of each individual breach. If a benefit-in-kind given is greater than EUR 25,000, the Contractor is liable to pay a contractual penalty equal to the amount of the benefit-in-kind. This is without prejudice to any further claims for damages by GIZ. However, the contractual penalty will be deducted from any such claims for damages.

4. Prevention of the financing of terrorism and compliance with embargoes

The Contractor must ensure that the remuneration provided by GIZ is not used to make funds or other economic resources directly or indirectly available to third parties that are included on a sanctions list issued by the United Nations and/or the European Union (EU).

When implementing the contract, the Contractor may enter into and/or maintain business relations only with third parties that are reliable and that are not subject to any statutory ban on entering into a contract or business relations.

Furthermore, when implementing the contract, the Contractor must comply with embargoes and other trade restrictions issued by the United Nations, the EU or the Federal Republic of Germany.

The Contractor must notify GIZ without delay and on its own initiative if the Contractor itself or a member of its official managing body and/or other administrative bodies, its shareholders and/or staff is included on a sanctions list issued by the United Nations or the EU. This also applies if the Contractor learns of any occurrence that leads to such a listing.

The Contractor must notify GIZ without delay and on its own initiative of any violation of the provisions stipulated in this section 4.

- End of Supplementary terms and conditions-

