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*Инвестираме във вашето бъдеще*



НАЦИОНАЛНА  
СТРАТЕГИЧЕСКА  
РЕФЕРЕНТНА РАМКА  
2007 – 2013



ОПЕРАТИВНА ПРОГРАМА  
„Развитие на конкурентоспособността  
на българската икономика” 2007-2013  
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## CONTRACT FOR IMPLEMENTATION OF DELIVERY BG161PO003-2.1.06/2TMM-02--14/18.02.2011г /Su-.....

Today ....., in the town of Dobrich, between the both parties the following contract has been concluded:

„BULMAT” LTD, with managing office: Dobrich, 1B “Pop Bogomil” str., Unified Identification Code 124526052, represented by Veselin Nikolov Velev - Manager, in his capacity of Beneficiary under contract № BG161PO003-2.1.06/2TMM-02--14/18.02.2011г for a grant under project “Enhancing the competitiveness of BULMAT LTD through modernization of the production“ within Operational Programme “Development of the competitiveness of the Bulgarian economy” 2007-2013, hereinafter referred to as CONTRACTING AUTHORITY, on one hand,

and

„.....” ....., with managing address town ....., str. ...., Unified Identification Code ....., represented by ..... - ....., hereinafter referred to as CONTRACTOR, on the other hand,

### WHERE:

THA CONTRACTOR has been selected in accordance with the principles of sound economic management and within the meaning of the Council of Ministers Decree 55/12.03.2007, for implementation of delivery, installation and commissioning and regular operation of the following lot .....

**In order to achieve the results and the objectives of the Project the parties agree about the following:**

### SUBJECT OF THE CONTRACT

**Art.1** In connection with and within the Project the Contracting authority assigns and the Contractor accepts for a reward and under the conditions of this contract to implement the delivery, installation and commissioning and regular operation of the lot ....., hereinafter referred to as “equipment”(in accordance with the offer of the Contractor) and to train at its own expenses personnel to operate and maintain the equipment.

**Art.2** The requirements related to the subject of the contract are set out in Appendix 1 which is an integral part of the contract.

### DURATION OF THE CONTRACT

**Art.3** The deadline for the delivery, installation and commissioning is .....months form the date of the signing of the contract but within the period of time of the contract for grant.

**Art.4** The duration of the contract may be extended by signed by both parties additional agreement to this contract in case of force majeure circumstances which prevents the compliance with the deadline under art.3 but not later than the deadline for implementation of the contract for grant.



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## PRICES AND PAYMENTS

**Art.5** For full implementation of the subject of the contract the Contracting authority pays the **CONTRACTOR** a total amount of .....BGN,(..... Euro at exchange rate 1 Euro=1.95583 BGN) (with words:.....) BGN (euros) without VAT. The price represents the total amount of all costs for purchasing and commissioning in regular operation of the equipment including the delivery to the warehouse of the Contracting authority, installation and initial testing.

**Art.6** The payment will be made in installments, by bank transfer, after signed by both parties model protocols for the performed and reported work and issuance of primary accounting documents as follows:

- advance payment - ....% of the value of the contract payable within .....days after the signing of the contract;
- interim payment - .....% of the value of the contract after the delivery of the equipment and signed Delivery and Acceptance Protocol payable within.....days or according to the following plan .....
- final payment - .....% of the value of the contract after signing of Final Delivery and Acceptance Protocol for complete installation, commissioning and training of the personnel but not later than 30 days.

The payments will be done by bank transfers in BGN or Euro at the exchange rate of the Bulgarian National Bank to the bank account of the **CONTRACTOR**:

Bank: .....

Address of the bank: ..... ; Office: .....

SWIFT / BIC Code: .....

IBAN: .....

**\*Art.7** Upon requiring to provide a guarantee for good implementation (in accordance with art.26) by the Contractor upon the final payment the Contracting authority returns the guarantee.

**Art.8** The Contractor issues and provides to the Contracting authority proper financial reporting documents containing invoice for the payment under this contract with text: the costs are under the project “Enhancing the competitiveness of BULAT LTD through modernization of the production” under contract 2TMM-02-14/18.02.2011 as well as Delivery and Acceptance Protocol model for the delivery in accordance with the financial requirements of the Project and the regulations applicable to the Project. In case of change in the requirements for the accounting documents or additional instruction by the Governing Body of the Programme the Contractor must comply to them if promptly notified by the **CONTRACTING AUTHORITY**.

**Art.9** **THE CONTRACTING AUTHORITY** may refuse to pay the corresponding payment to the Contractor if the latter fails to provide the required documents.

**Art.10** The Contractor shall keep full and accurate records and reports about the implementation of the Project including accounting of issued invoices and received payments using appropriate accounting system in accordance with the requirements of the national legislation. The accounting documents and records related to this contract must be clearly identifiable and verifiable.

**Art.11** In connection with the commitments under this Project made by the **CONTRACTING AUTHORITY** before the Contracting Body the Contractor shall allow the bodies under this Project (contracting, managing and certifying as well as the persons authorized by them), the national auditing bodies, European Commission, European Anti-Fraud Office,



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European Court of Auditors and external auditors to check through the study of the documents or spot checks the implementation of this contract as a part of the implementation of the Project. This checks can be made within 3 (three) years after the completion of the Operational Programme in accordance with Regulation 1083/2006 of the Council as well as until completion of any administrative, investigative or judicial proceedings.

## RIGHTS AND OBLIGATIONS OF THE PARTIES

### Art.12 Rights and obligations of the CONTRACTING AUTHORITY:

- 12.1. THE CONTRACTING AUTHORITY has the right to receive the agreed under art.1 of the contract.
- 12.2. THE CONTRACTING AUTHORITY should inform the Contractor with all specific requirements regarding the implementation of the contract associated with the Project and the Operational Programme which co-financed it. In view of quality and proper execution of the subject of the contract THE CONTRACTING AUTHORITY must provide the necessary assistance to the Contractor by providing complete and accurate information about the Project and the operational programme.
- 12.3. THE CONTRACTING AUTHORITY has the right to require from the Contractor to execute the delivery on time and without variances.
- 12.4. THE CONTRACTING AUTHORITY must pay the Contractor the corresponding payment for the delivery on the terms and conditions and within the time according to art.5 and art.6 of this contract.
- 12.5. THE CONTRACTING AUTHORITY provides the information necessary for the implementation of the contract;
- 12.6. The ownership right including the rights on intellectual and industrial property resulting from this contract, the reports and other documents related to it arise and belong to the Beneficiary.
- 12.7. To name its own employees with appropriate qualification who will be trained by the Contractor and ensure their presence for the purpose of the training in accordance with the period of time indicated in the technical offer of the Contractor.
- 12.8. To ensure safe working conditions for the staff of the Contractor on its territory as well as an accompanying official for the territory determined for the installation for the entire period of stay.

### Чл.13. Rights and obligations of the Contractor:

- 13.1. The contractor shall:
  - implement the subject of the contract according to the requirements of the CONTRACTING AUTHORITY to meet the goals envisaged in the Project;
  - produce quality equipment according to the current standards and technical regulations for safety;
  - provide the CONTRACTING AUTHORITY detailed technical and operational documentation of the equipment written in Bulgarian as well as European Declaration of Conformity.
- 13.2. The Contractor shall execute the delivery with diligence subject to the requirements of efficiency, transparency and endeavor in accordance with the best practices within the time and the quality determined by the contract.



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- 13.3. The Contractor is aware of the rights of control by the Governing Body under the Operational programme and agreed to provide access and information about the implementation of the present contract if such is requested.
- 13.4. The Contractor shall comply with the requirements of the European Community legislation and the national legislation regarding the granting of financial assistance under Operational programme “Develop of the competitiveness of the Bulgarian economy 2007-2013”.
- 13.5. The Contractor shall act in accordance with art. 1, 3, 4, 5, 6, 11.3 „b” and art. 14.5 Appendix II General Terms and Conditions to Contract for grant BG161PO003-2.1.06/2TMM-02-14/18.02.2011 between the CONTRACTING AUTHORITY and the Bulgarian Small and Medium Enterprises Promotion Agency which represent Appendix 2 and are an integral part of this contract.
- 13.6. The Contractor is entitled to seek the necessary assistance from the CONTRACTING AUTHORITY for the acceptance of the delivery.
- 13.7. The Contractor has the right to receive adequate remuneration by the CONTRACTING AUTHORITY for the delivery on the conditions and within the time according to art.5 and art.6 of this contract.
- 13.8. The contractor shall provide to the Contracting Body, persons authorized by it, the Governing Body in the cases when the Contracting Body is an Intermediate and the Certifying Body, the national auditing bodies, The European Committee, The European Anti-Fraud Office, the European Court of Auditors and external auditors the right to freely use and in line with the scope of the check all documents related to the implementation of this contract within the Project regardless of their form provided that this does not violate existing rights of intellectual and industrial property.

## DELIVERY AND ACCEPTANCE

**Art. 14** The acceptance is done in two stages by persons authorized by both parties:

14.1. I–st stage: Acceptance of the delivered equipment at site of the CONTRACTING AUTHORITY – an Acceptance and Delivery Protocol must be signed for the delivery of the equipment. At this stage are received the equipment and the completeness of the accompanying documents – accounting and technical.

14.2. II–nd stage: Acceptance of the equipment at site of the CONTRACTING AUTHORITY after assembly, installation, commissioning and training – the Final Acceptance and Delivery Protocol for commissioning of the equipment is signed.

**Art.15** If upon the acceptance of the equipment at the I-st stage the lack of any required accompanying documents is noted these should be delivered within 5 working days at the expenses of the CONTRACTOR.

**Art.16** If upon the acceptance of the equipment at II-nd stage it is found out that there are any defects the CONTRACTING AUTHORITY has the right to request their removal at expenses of the CONTRACTOR within the time indicated in the Acceptance and Delivery Protocol for the II-nd stage.



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## IRREGULARITIES AND CONFLICT OF INTEREST

**Art.17** The parties declare that they have no conflict of interest in connection with this contract and each of them is obliged to take the necessary measures to avoid it or to inform the other party about any circumstance which may lead to such a conflict.

**Art.18** Conflict of interest exists when for the impartial and objective implementation of the functions under this contract of any party and/or persons may arise doubt due to reasons involving the family, emotional life, political or national affinity, economic interests or other common interests which the party and/or the person has with another person in accordance with art.52 and art.82 of the Regulation 1605/2002 г., on the financial provisions applicable to common budget of the European Community, amended by Council Regulation (EC, Euratom) №1995/2006.

**Art.19** The contracting authority may terminate the Contract without notification and without paying any compensations in case of abuse by the Contractor such as: suspicion of fraud under art.1 of the Convention for protection of the financial interests of the European communities, corrupt practices, participation in criminal organizations or any other illegal activities detrimental to the interests of the European communities. This condition also applies to the partners, contractors and the representatives of the contractor.

## PRIVACY

**Art.20** Each party under this contract is obliged not to disseminate information about the other party that became known during or in connection with the implementation of the contract.

**Art.21** The parties agree that the personal data that they have received for the purposes of this contract are subject to special protection according to the Law on Personal Data Protection. The parties including their officers and subcontractors must comply with requirements for protection of personal data in accordance with the provisions of art.37 of the Commission Regulation № 1828/08.12.2006 and the Law on Personal Data Protection.

**Art.22** The Contractor shall observe strict confidentiality regarding all documents, information or other materials which will become known to him during or in connection with the implementation of this contract for a period of 3 (three) years after the completion of the operational programme in accordance with art.89 (3) of the Council Regulation №1083/2006. The European Committee has access to all documents submitted to the persons referred to in art.11.6 and must follow the same confidentiality requirements.

## VISUAL IDENTIFICATION

**Art.23** In order to fulfill the commitments of the CONTRACTING AUTHORITY to publicize the fact that the Project is co-financed by the European Regional Development Fund the CONTRACTING AUTHORITY should mention the financial contribution in any information, report and documents under this Project.

In this regard the Contractor is obliged to apply the requirements of art.6 of the General terms and conditions (Appendix II) to all documents, announces, conferences and seminars related to the implementation of this contract.



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## WARRANTIES

**Art.24** The warranty for the equipment is..... months from the date of the signing of the final acceptance and delivery protocol for commissioning on site of the CONTRACTING AUTHORITY but not more than ..... months from the date of delivery (Warranty period plus 3 months).

**Art.25** The effect of the warranty period ends:

25.1. In case of dismantling or alteration of the equipment by the CONTRACTING AUTHORITY without prior permission by the Contractor.

25.2. Improper use of the equipment by the staff of the CONTRACTING AUTHORITY.

25.3. Damage caused by weather, natural disasters and fire.

\***Art.26** For lot № 1.1.1. **Automated production line for production of flexible water joints** the Contractor will provide the Contracting Authority a Guarantee for good implementation as a penalty for poor or careless implementation of the obligation under this contract to the amount of 3% of the value of the contract, in BGN or Euro (recalculated in BGN at the exchange rate of the Bulgarian National Bank- 1 Euro=1.95583 BGN) in the form of a bank transfer to the account of the Contracting authority not later than 30 days after the signing of this contract.

26.1. Failures will be recorded in Protocols .

26.2. The Guarantee for good implementation shall enter into force upon signing the contract and will be valid for the duration of the contract plus 30 days and may be released ahead of the schedule against submission of the original signed Final Acceptance and delivery protocol.

26.3. In absence of grounds for detention of the guarantee it will be released upon the final payment under this contract.

## TERMINATION OF THE CONTRACT

**Art.27** The contract will be terminated in the following cases:

- Upon the completion of the duties of the parties under this contract;
- If there is a mutual desire for that expressed in writing;
- Cessation of the activity of one of the parties.

## CANCELLATION OF THE CONTRACT

**Art.28** In breach of the contract obligations by one of the parties the other party can cancel the contract with two weeks written notice.

## RESPONSIBILITIES

**Art.29** In failure to fulfill the obligation under this contract the delinquent party must pay a penalty equal to the base rate of the Bulgarian National Bank for the period plus 10 points for the corresponding period. The penalty is charged until the payment of the sums or implementation of another obligation under the contract.

**Art.30** The Contracting Body under the Contract for grant for the Contracting authority is not responsible, does not owe compensations or additional payments for damages incurred by the Contractor or for accidents incurred during the implementation of the Project. Each party shall compensate the other party for damages caused during its activities in fulfillment of the contract. The compensation is due in full amount for damages which are fully attested.



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## AMENDMENT OF THE CONTRACT

**Art.31** The parties agree that amendments in this contract can be done only by mutual agreement, in writing and immediate notification of the Contracting Body and in accordance with the procedure for coordination of contracts with the Regional Project Coordinator:

- 31.1. Any request for amendment of the contract must be substantiated in writing by the party issuing the request;
- 31.2. In the event that the both parties agree to amend the contract an additional agreement (annex) will be issued signed by both parties;
- 31.3. The additional agreement can not change the conditions under which the contract was assigned to the contractor;
- 31.4. Any extension of the deadline for the implementation of this contract must be within the duration of the contract for grant so that the implementation and the final payments under this contract to be made before the expiry of the contract for grant;
- 31.5. In case that the Contracting Body will implement a preliminary control over the selection of subcontractors under the contract for grant the present contract for implementation of a delivery and all annexes thereto shall enter into force after the approving opinion of the supervisory authorities.

## OTHER PROVISIONS

**Art.32** Both parties agree to govern their interrelation under this contract in direct relationship and dependency on the requirements provided in the Project. All relationships which are not directly related to the Project are not covered by this contract.

**Art.33** The meetings, the different stages and the final completion of the work which is subject of this contract are formed by the Contractor through Acceptance protocols.

**Art.34** The whole correspondence related to this contract must be in written and should be available at the following addresses:

*For the Contracting Authority:*

Mailing address: P.O.Box 9300, town of Dobrich, 1B “Pop Bogomil” str.

*For the Contractor:*

Mailing address: town ....., str. ....

**Art.35** All outstanding issues under this contract will be resolved using the provisions of the Law on Obligations and Contracts.

**Art.36** The contracting parties shall decide the problems arisen in the course of the implementation of the contract through voluntary negotiations and when failing to reach an agreement – in the court. The Contracting Body is not a party under this contract and can not be an arbitrator or mediator in the relation between the parties under this contract.

This contract is issued and signed in two original and identical copies – one for each party (in Bulgarian and English). In contradictions in the text of the contract the Bulgarian version is leading.

The contract takes effect from the date on which it is signed by the last of the two parties.



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**Appendixes:**

- Appendix 1: Technical description of the equipment under this contract (Technical offer of the Contractor).
- Appendix 2: Appendix 2 to Contract for grant BG161PO003-2.1.06/2TMM-02--14/18.02.2011-General terms and conditions to the financed under Operational programme “Development of the competitiveness of the Bulgarian economy 2007-2013”

For the CONTRACTING AUTHORITY:

For the CONTRACTOR:

.....

.....

/...../

/...../

Date: .....

Date: .....