

## **Special legal provisions for Single contracts / Framework agreements of the Buyer for the performance of construction and/or construction-craftsmanship and electrical installation works**

Unless otherwise specified in the Contract/Order/Agreement and in the Buyer's General Conditions of Purchase, the "Special legal provisions of the Buyer for the performance of construction and/or construction-craftsmanship and electrical installation works" (hereinafter "Special legal provisions") shall apply. The special legal provisions regulate the rights, obligations and relations between the Contractor and the Buyer.

Both parties, that is, the Contractor and the Buyer, are considered contracting parties. Special legal provisions are an integral part of the Contract/Order/Agreement, even if they are not specified/submitted by the Buyer or are excluded from the Contractor's documents related to the Contract/Order/Agreement. Any conditions of the Contractor that contradict or opposites these Special Legal Provisions shall not apply, even in the event that the performance of the Contractor's work on previous occasions has been undisputedly accepted despite the Buyer's familiarity with the previous conditions of the Contractor.

These Special Legal Provisions, as well as any changes to the Special Legal Provisions which take effect from the date of their publication, are published on the Buyer's website.

Special legal provisions are binding on the Contractor even if not stated in the Contract/ Order/ Agreement / Tender documentation or request for quotation.

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## 1. General provisions

### 1.1. Undertaking the obligations of the Contract/ Order/ Agreement, conditions of the construction site

By submitting the offer, as well as during the realization of the contract/order/agreement, the Contractor declares that he has seen the documents from the Public Call/Advertisement/Request for Offer, and that he agrees with the provisions contained in the "Special Legal Provisions".

The contractor, by submitting his offer, confirms/declares that he is fully aware of the local conditions and restrictions for the performance of the works, for all possible difficulties that could arise during the performance of the work, including but not limited to the necessary warehouses, the premises for the employees, the transport and access roads, the possibilities for appropriate handling and treatment of waste, existing electrical installations, water installations, etc. types of installations and that he took into account all the conditions when forming his price/offer.

The contractor is responsible and undertakes all measures for the timely supply of all materials that he has committed to offer and deliver, in accordance with the submitted offer and/or concluded Contract/ Order/ Agreement.

In the unit prices of the individual positions, all work activities, actions and deliveries that are required for the quality performance of the works, within the period determined by the offer or the Contract/ Order/ Agreement, weather conditions that would occur during the construction of the building, the possible performance delays, etc., even in the event that such delays/conditions are not specifically stated in the respective positions of the offer/ Contract/ Order/ Agreement.

## 2. Basics of the Contract/ Agreement

The awarding of the Contract/ Order/ Agreement, any amendments and additions to the Contract/ Order/ Agreement are valid, if they are in written form (paper form of the Contract/Agreements or electronically issued and approved Contract/ Order/ Agreement).

During the performance, the provisions arising from laws, standards, norms and other regulations related to construction must be respected and applied.

During the execution of the Contract/ Order/ Agreement, as well as in case of a dispute, the following order of documents is valid:

- Contract/ Framework agreement
- Call-off Purchase order according to the Framework Agreement
- Applicable laws, standards, regulations
- The performance documents and technical provisions according to the tender documentation
- The General Conditions of Purchase submitted with the request for offer and the tender documentation
- The special legal provisions submitted with the request for offer and the tender documentation
- Tender documentation of the Customer
- Protocol of negotiations or e-auction or e-mail communication in function of protocol of negotiations
- Construction book, construction diary
- Offer

### 3. Prices

The established prices from the mutually signed Contract/ Order/ Agreement are valid. The prices of the construction works are fixed during the duration of the Contract/ Order/ Agreement, expressed in MKD and are without VAT, unless otherwise stated in the Contract/ Order/ Agreement and they represent full compensation for the performance of the works, including all auxiliary and accompanying work activities of the contractor and his subcontractors that are necessary for the flawless realization of the works.

The prices determined by the Contract/ Order/ Agreement are fixed until the works are fully realized and include all costs for materials, special activities, business travel, overnight stays, per diems, all deliveries including all additional costs based on salary, transport costs and associated works, which are necessary for the performance of the works according to the Contract/ Order/ Agreement, according to all legal regulations valid in the Republic of North Macedonia, according to the appropriate technical standards, norms and regulations and recognized regulations in the activity that covers the subject of the Contract/ Order/ Agreement until obtaining a usage permit for the object.

The contractor will calculate and state in the invoice the amount of VAT, if there is an obligation for it according to the Value Added Tax Law and the by-laws.

The prices of the Contract/ Order/ Agreement include at least the following auxiliary and related works:

- Carrying out the necessary measurements and recording for the staking out of the object, including the installation of measuring devices and the need to hire staff;
- Marking and securing the construction site;
- Participation of the Contractor in discussions about the project, construction and installation, as well as in discussions with state institutions, municipalities or private participants, if the Buyer considers it necessary;
- Working with overtime hours, which are necessary to maintain the agreed deadlines
- Transportation of construction material and other material, deliveries and installation of free space for usage
- Arranging the construction site, including the construction of temporary warehouses and places for pre-assembly, if a special position is not provided for this;
- Installation of tools, cranes, means of transport, scaffolding and auxiliary materials for installation
- Filling with propellants (e.g. first filling of oil, coating agent, etc.) if necessary;
- Documentation regarding quality assurance measures, as well as construction book and construction diary;
- License costs, if the Contractor uses or delivers protected procedures or equipment;
- Coordination with other employees at the construction site according to the requirements of the Buyer's supervisory authority;
- Implementation of the agreed or prescribed examination of the material or the works;
- Keeping a construction book and diary;
- Measurements, preparation of calculation documents, damage to lawns due to construction and acceptance
- Costs in case of bad weather;
- Costs for carrying out the construction works in the winter months, if they are necessary, for adhering to the agreed deadlines for the performance and if no other provision has been made in the Contract/ Order/ Agreement;

### 4. Obligations of the Contractor

The contractor is obliged to sign or refuse to sign the Contract/ Agreement within three working days counted from the day of delivery (receipt) of the Contract/ Agreement from the Buyer.

In case of non-signing of the Contract/ Agreement within ten working days counted from the day of delivery (takeover) of it from the Buyer by the Contractor, the Contract/ Agreement will be considered invalid and the Buyer will consider that the Contractor withdraws the delivered offer and refuses to sign the Contract/ Agreement, which gives the Buyer the right to conclude the Contract/ Agreement with another bidder, without any obligations and damages claims from the Contractor who refuses to sign the Contract/ Agreement within the specified period by the Buyer, and in accordance with this provision of the "Special Legal Provisions".

The contractor is obliged to perform the works subject to the Contract/ Order/ Agreement, in the manner and within the terms determined by the Contract/ Order/ Agreement, the regulations (according to the Law on Construction, the regulations in the field of construction, the Regulations on the minimum requirements for safety and health when working for temporary mobile construction sites and other regulations) and the rules of the profession.

The contractor is obliged to fulfill the basic requirements for the construction in terms of mechanical resistance, stability and seismic protection, fire protection, hygiene, safety and health and protection of the work and environment, safety in use, noise protection, efficient use of energy and thermal protection and unhindered access and movement to and within the building.

The Contractor has no right to change the Buyer's technical documentation.

The contractor is obliged to keep a construction diary and a construction book for the building, which will be signed by the Supervisory Authority and/or the Buyer (in accordance with the Regulations on the form, content and manner of keeping a construction diary and the construction book)

The contractor is obliged to take actions and measures at the construction site to mark the construction site, as well as measures and actions that clearly show information about: the developer of the construction, the contractor of the construction and other necessary information.

The construction site must be marked with an information board that must contain the name, that is, the name of the participants in the construction, the name and type of the construction being built, the competent authority from the Law on construction, the number and date of the issued construction permit, as well as an indication that it is a protected immovable cultural heritage in accordance with the law, if that building is registered in the National Register of Cultural Heritage and others. The contractor is obliged to take measures at the construction site to ensure the safety of the construction and the works, equipment, devices and installations, workers, passers-by, traffic, neighboring buildings and the environment.

After the completion of the works, i.e. after the termination of the Contract/ Order/ Agreement, the contractor is obliged to withdraw his workers from the construction site, remove the remaining materials, equipment and means of work, as well as the temporary buildings he built and clean the building and the construction site.

## **5. Activities before introduction into work**

The contractor is obliged to check at least the following before starting work:

- the location, access roads, place of execution of works, existing installations, existing fittings,
- spatial possibilities for the organization of a construction site
- the documentation provided by the Buyer
- the existing project documentation of the Buyer (plans, calculations, expertise regarding the land, etc.)
- previous activities of previous Contractors
- the need for coordination with other Contractors
- the previous work activities of the Buyer
- the need to indicate to the Buyer about possible risks and difficulties during the implementation of the Contract/ Order/ Agreement
- the existence of opportunities and proposals for improvement in acceptable proportions

If the Contractor does not give a written notice to the Buyer regarding the deficiencies or possible risks and difficulties in connection with the performance of the planned works in accordance with the Contract/ Order/ Agreement within 7 days of becoming aware of the deficiencies or possible risks and difficulties, then the Contractor is fully responsible about the consequences.

## **6. Obligations of the Buyer**

The Buyer is obliged to make a notification to the Contractor, whereby the latter confirms that they have been notified in writing, in accordance with the Law on Safety and Health at Work. With this Notice, the employees of the Contractor are informed about the rules of conduct and action as a Contractor, the rights and obligations according to the Law on Safety and Health at Work, during the implementation of works for the needs of the Buyer, according to the legal provisions, the applicable national standards (ICC) and the applicable internal regulation of the Buyer. The Buyer can notify the Contractor of the rights and obligations in accordance with the Law on Safety and Health at Work and when opening the Construction Diary, with appropriate recording that the Notice in question has been given, which the Contractor is obliged to convey to all participants in the execution of the works.

The Buyer is obliged to remove all existing problems within the stipulated period until the introduction of the Contractor into work, which would enable the smooth execution of the works.

The Buyer is obliged, after the conclusion of the Contract/ Order/ Agreement, to introduce the Contractor to work, which in particular includes handing over the Contractor to the construction site and the technical documentation for the execution of the works. A minute is drawn up for the introduction of the Contractor into work and this is stated in the construction diary or it is recorded only in the construction diary, without drawing up a minute for introduction to work.

The Buyer is obliged to act upon the Contractor's request for an explanation of the details of the technical documentation and to provide him with the requested explanation of the technical documentation in writing.

Before starting the works, the Buyer is obliged to appoint his own Supervisory Authority and/or responsible person for monitoring the realization of the Contract/ Order and informs the Contractor about it in writing.

The Buyer is obliged, at the written request of the Contractor, to provide technical acceptance of the object (construction)

## **7. Realization of the agreement (valid only in the case of concluding a framework agreement)**

The Call- Off purchase order according to the Framework Agreement, which results from the Agreement, is issued by the Buyer. Orders are valid only if they refer to works/positions specified in the Agreement.

The Contractor agrees to receive the call- off purchase orders under the framework agreement and the obligations under them electronically approved by the authorized person of the Buyer, electronically by e-mail, to the e-address of the Contractor specified in the Framework Agreement.

If there are changes in the Contractor's e-mail address for receiving orders, the Contractor undertakes to immediately submit the data for the new e-mail address for receiving orders to the following e-mail address: [evn-po-narachki@evn.mk](mailto:evn-po-narachki@evn.mk).

If the Contractor does not act on this obligation, the orders delivered to the e-mail address of the Contractor will be considered duly delivered to the Contractor.

The contractor is obliged in case of malfunctions (defects) to perform emergency work and respond to the call of the Buyer within a maximum of 3 hours from the moment of the call, and outside of normal working hours.

## **8. Permits**

The permits required for the construction of the construction (e.g. construction permits, consents for water connections, for energy, etc.) are provided by the Buyer.

The Contractor shall promptly secure all other possibly necessary permits for the overall construction works and shall bear the costs arising from them.

## **9. Construction permits**

The Contractor undertakes to promptly request all construction documents from the Buyer, so that the preparation and execution of the work can be carried out in accordance with the work execution plan.

The Contractor is obliged to check the plans and other documents immediately after receiving them in terms of technical feasibility, legal regulations and to harmonize them with the local conditions of the construction site.

The documents given to the Contractor (projects, samples, drawings, sketches, calculations, etc.) remain the property of the Buyer, they must not be delivered to unauthorized persons and they must be returned to the Buyer no later than the technical acceptance of the works.

## **10. Usage of Buyer's assets**

The Buyer assigns to the use of the Contractor only those assets/property or rights to use the assets/property or means of communication and means of work for which he has clearly stated that he assigns them, during the period of performance of the works.

## **11. Inspection of the construction site**

The Contractor is obliged before the start of the works to inspect the construction site, inspect the area around the construction object and the construction site (including the access roads and the place for storing material on the construction site) and, if necessary, record the current condition of the construction site before starting the works in an appropriate way (photographing, video recording, written record and other evidentiary materials), so that any damages (damages) that existed before the start of the works are not attributed to the Contractor on the grounds that they occurred during the execution of the construction works of the object.

## **12. Joint operation of several contractors**

The Contractor has a comprehensive obligation to coordinate and cooperate with all persons working on the construction site. In addition, the Contractor is obliged to support the Buyer in the best possible way, as well as the hired responsible persons (supervisory authority, project managers, project managers, etc.) in the performance of their duties.

The construction of the building depends on the joint work of all participants in the construction.

If one or more Contractors of the Contract/ Order/ Agreement are engaged at one construction site at the same time, in that case they should take care to avoid mutual interference during the performance of the works.

Work activities in the case of hiring several Contractors should be coordinated in such a way that the deadlines defined by the Contract/ Order/ Agreement are fully observed, with full fulfillment of all safety-technical requirements and requirements for environmental protection.

If coordination cannot be achieved between the Contractors, then the decision of the Buyer and/or the supervisory authority appointed by the Buyer for the coordinated performance of the works is valid. All additional costs incurred as a result of the non-fulfillment of this obligation, whether due to improper performance of the works or non-fulfillment of the deadlines established by the contract/order/agreement, shall be borne by the Contractor.

In locations where two or more Contractors work simultaneously, they must agree in writing on joint safety and preventive measures to be taken and appoint an expert to implement the safety measures at work.

### **13. Facility management and supervision**

Management of the construction and supervision is carried out in accordance with the applicable Law on Building

### **14. Construction site safety**

The Contractor is specifically responsible for implementing all necessary measures for a safe construction site, safety and health of all persons hired by the Contractor in accordance with the Law on Safety and Health, the Law on Construction, the Law on Labor Relations and all other applicable laws and regulations in the Republic of North Macedonia, as well as to ensure the full application of the legal provisions related to environmental protection.

The Contractor is responsible for all his employees in terms of occupational safety, security, insurance, risks of injuries, etc. and at that:

- The Contractor undertakes to fully apply the obligations arising from the Law on Safety and Health at Work and the Rulebook on the Minimum Requirements for Safety and Health at Work for Temporary and Mobile Construction Sites when performing the work tasks.
- The Contractor undertakes that each of the employees, when coming to the Buyer, will wear an identification card (name, surname, company) certified by the Contractor's round seal in a visible place
- The Contractor undertakes that the employees will be equipped with appropriate protective equipment and will use it according to the work task for which they will be hired.
- The Contractor undertakes to provide the employees with appropriate training according to the work task for which the employees will be hired (confirmation or certificate from an authorized organization for the appropriate training)
- The Contractor undertakes to provide evidence in the form of a written statement to the Buyer, that he has prepared a statement on safety and risk assessment of the workplace in accordance with the legal and by-laws in the field of occupational safety and health.
- The Buyer is obliged not to allow the Contractor to start the work tasks if any of the stated obligations are not fulfilled.
- The Buyer will control the implementation and fulfillment of obligations by the Contractor in the area of safety and health at work, environmental protection and other contractual obligations and has the right to prescribe measures to stop work and work tasks until the deficiencies are removed, such as and the right to contractual penalties for poor performance of the Contract/ Order.
- The Contractor is obliged to instruct his employees regarding the safe implementation of the works as well as regarding the protection of workers and safety at work, and he should confirm in writing to the Buyer that he has informed the employees regarding those issues. Furthermore, the Contractor should immediately notify the Buyer in writing of possible accidents, that is, injuries to his employees while fulfilling the obligations of the contract/ order, by sending copies of the accident reports.
- The Contractor's workers, who behave unprofessionally and inappropriately and whose behavior endangers the realization of work activities, will be removed from the construction site at the request of the Buyer. The buyer can immediately remove the persons who violate the safety and health regulations from the construction site.

### **15. Construction book and construction diary**

The Contractor is obliged to properly keep a construction book and a construction diary in accordance with the current Law on Construction and Rulebook on the form, content and manner of keeping a construction diary and the construction book.



## **16. Deadlines for performance**

The deadlines for the performance of the works are determined in the Contract/ Order/ Agreement. The construction works should be carried out using material, manpower, equipment and machines in such a way that the deadlines of the dynamic plan or the performance deadline of the Contract/ Order/ Agreement are met. All the activities that the Contractor has to carry out to meet the performance deadlines are included in the price of the Contract/ Order/ Agreement.

Obstacles in the cooperation of the various subcontractors or lack of material and equipment/machines for the performance of the work, do not constitute a reason for extending the performance deadlines.

The individual deadlines specified in the dynamic plan for the realization of the works or in another type of written document such as minutes of the Buyer and the Contractor, e-mail communication of the Buyer and the Contractor, etc., are considered binding deadlines. The supervisory authority of the Buyer for the purpose of coordination of the construction works is authorized at any time to ask the Contractor to perform the works that he considers urgent or to request the termination of the work if he considers it necessary.

Failure of the Contractor to meet deadlines is possible only in cases of force majeure.

The Buyer reserves the right, after the completion of the circumstances that led to the impossibility of meeting the performance deadlines or non-fulfillment of the quality requirements by the Contractor, to terminate the contract/ order and at the same time all subsequent direct and/or indirect costs and damages incurred due to the non-fulfillment by the Contractor, to re-invoice them to the Contractor.

## **17. Unforeseen and additional works**

The implementation of the Contract/ Order/ Agreement begins with the commissioning of the Contractor by the Buyer and/or the Buyer's supervisory authority.

For all unforeseen works in the Contract/ Order/ Agreement, the Contractor submits an offer to the Buyer in the shortest possible time. The Buyer accepts or rejects the offer in the shortest possible time. Disagreement with regard to the offer for the unforeseen and additional works does not give the Contractor the right to delay or stop the works. Unforeseen and additional works for which there is no written consent or Annex to the Contract/ Order/ Agreement are not recognized.

Unforeseen and additional works that are not included in the Contract/ Order/ Agreement, and which are necessary for the performance of the facility, are regulated by both sides signing the Annex to the Contract/ Agreement .

When increasing the scope of works, the Contractor is obliged, if there is a reduction in costs due to a significant increase in the quantities of certain positions of the contract/agreement/order, to calculate it in an appropriate way in favor of the Buyer by reducing the total price.

## **18. Overtime working hours**

Overtime working hours performed by the Contractor in his own interest, in order to meet the agreed performance deadlines, are not recognized and will not be paid additionally.

## **19. Environmental protection**

The Contractor is obliged to take care of the environment and individual areas of the environment by taking measures and activities related to protection from the harmful effects of:

- performing various activities;
- polluting substances and technologies;

→ the waste.

All environmental measures, standards and objectives are applied as minimum requirements, unless otherwise defined in a separate law or regulation. According to the current legal regulations, it is forbidden to leave, throw and leave the waste in locations that have not been established for that purpose, as well as its burning or removal contrary to the waste management regulations, as well as the discharge of polluting substances and substances into soil, water and groundwater that could adversely affect people and the environment.

The Contractor is obliged, without special compensation, to ensure that the workplace is clean and to remove all waste, building materials and equipment that he does not need from the construction site. Upon completion of the activities, the location should be cleaned (waste, construction materials and equipment).

The Contractor is obliged to collect, select and, if possible, reuse or process, including recycling, the waste materials that are created during the execution of the works.

The Buyer recommends that the Contractor use input materials made of recycled material, which can be recycled again after use.

The Contractor has an obligation:

- to submit a statement for waste managing generated during the execution of the works
- safely transport the waste to the final destination (landfill or warehouse) at its own expense in accordance with the applicable legal regulation;
- to prevent scattering or falling out of waste during collection, transport, loading and/or unloading;
- during the transportation of dangerous substances, to ensure safe transportation by taking measures to protect against leakage of dangerous substances;
- to carry out collection, removal and transportation of the entire construction rubble to an approved landfill;
- contracts with landfills for construction waste
- completed waste transport and identification forms
- to return the dismantled materials or equipment complete to the Buyer's warehouse.
- to check if the motor oil has leaked from the trucks and if there is leaked oil at the locations where the trucks are parked, to approach the absorption of the leaked oil with an oil and petroleum derivative absorbent and cleaning with an oil and petroleum derivative degreaser.

In the event of environmental pollution that may be caused by the Contractor during the execution of the works in accordance with the subject of the agreement, the Contractor is responsible for removing the resulting pollution and damage to the environment in the shortest possible time. The Contractor is obliged to compensate the costs of removing the danger of environmental pollution, to bear the costs of remediation and to pay fair compensation for the damage caused to the environment, as well as to bring the environment, to the greatest extent possible, to a condition as before the damage.

The Buyer reserves the right to control the work of the Contractor in the field of environmental protection in accordance with the applicable environmental laws and the agreed conditions, without prior notice and if this is not carried out in accordance with the applicable legislation, he has the right to terminate the Contract / Order/ Agreement. As a result of the performed control, a Protocol will be submitted to the Contractor in which all compliances and non-compliances will be specified.

If the Contractor imports equipment/material into the Republic of North Macedonia and it is installed during the performance of the works, it is necessary to submit to the Buyer:

- Confirmation of an agreement concluded with a collective agent who, on behalf of the manufacturer, exercises the extended responsibility of the manufacturer for the management of:
  - packaging waste or
  - waste batteries and accumulators or

- waste electrical and electronic equipment (EEE) or
  - oil waste or
  - waste tires or
  - textile waste (towels, shoes, etc.) or
  - waste parts of a vehicle
- Confirmation of:
- confirmation of fulfillment of extended responsibility for management of a special waste stream (packaging, batteries and accumulators, EEE, oils, tires, textiles and vehicles) from a collective agent and paid fee or
  - confirmation of fulfillment of extended responsibility for management of a special waste stream (packaging, batteries and accumulators, EEE, oils, tires, textiles and vehicles) as an independent operator or
  - fulfilling the extended responsibility by paying a fee for the management of a special waste stream (packaging, batteries and accumulators, EEE, oils, tires, textiles and vehicles) in the manner and in the amount as determined in the regulations for special waste streams.

## **20. Archaeological findings**

In case of the occurrence of archaeological findings, monuments or similar objects, the Contractor must announce and report this to the competent state authorities and to the Buyer, in order to determine the next steps.

## **21. Conditions for quantitative and qualitative control**

The Contractor is obliged to examine the correctness of the technical solutions in the technical documentation, to install materials and equipment that correspond to the prescribed or agreed quality, to warn the Buyer about the perceived shortcomings of the materials and equipment, is obliged to submit, at no additional cost to the Buyer, evidence for the quality of the used materials and equipment and of the performed works (such as quality documents, certificates or attestations) and to enable control to the Buyer.

Confirmation of the required quality is provided by the Contractor without special compensation and by submitting samples, certificates and references or in another appropriate way.

The costs of any additional tests that are not provided for by the basic Contract / Order / Agreement, the basic project or the standards or technical norms are borne by the Buyer, if the results of the tests confirm the correctness of the materials and the works performed, and in all other cases the costs are borne by the Contractor.

All findings of the Contractor's control and the Buyer's control are recorded in the construction diary.

The final assessment of the quality of the performed works and of the materials and equipment used is carried out during the handover of the performed works, confirmed by the Record of handover of the performed works/ Signing (closing) of the construction book.

## **22. Method of handing over the performed works**

Immediately after the completion of the works, the Contractor notifies the Buyer in writing that the works that are the subject of the Contract/ Order have been completed. The Buyer and the Contractor are obliged to proceed with handover and final settlement without delay.

A record is prepared for the handover, which contains in particular the following data:

- whether the works are performed according to the Contract/ Order, the regulations and the rules of the profession,

- whether the quality of the performed works corresponds to the agreed quality, that is, which works the Contractor should finish, repair or re-perform at his own expense and within what time frame to do so,
- confirmation of the delivery of the warranty papers and certificates for the equipment that is installed,
- date of completion of works and date of handover.

The Buyer has the right not to receive the construction if it has defects or if the Buyer has not been given documents that he should receive according to the Contract/ Order/ Agreement and other documents required by the nature of the works (e.g. instructions for use, documents from performed tests, projects, drawings, certificates, etc.). The Contractor, after removing the deficiencies, should again invite the Buyer in writing to perform the reception of the construction.

The Contractor is responsible for the realization of the work until the moment of passing the risk, that is, until the moment of handing over the construction works.

The Contractor is also responsible for those material deficiencies that will appear even after the risk has passed, if they are a consequence of a cause that existed before that.

The Contractor is responsible for all material and non-material damages caused as a result of non-fulfillment of the provisions of the Contract/ Order/ Agreement.

### **23. Warranty period of the performed works**

The correct performance of the Agreement is the responsibility of the Contractor.

The Contractor guarantees that the construction works performed at the time of handover are in accordance with the Contract/ Order/ Agreement, the regulations and the rules of the profession and that they do not have defects that prevent or reduce their value or their eligibility for regular use, i.e. for the use determined by the Contract / Order/ Agreement.

The Contractor is responsible for the correctness and quality of the performance, for the maintenance of safety at work, for the protection at work of the persons hired by him or by the subcontractors, for impeccable quality of all the materials he uses.

The Buyer is obliged to notify the Contractor of the observed deficiencies without delay.

In any case, a formal acceptance of the works must be carried out, after the completion of the performance, the Contractor will submit a request for it. The formal acceptance can also be carried out by signing and closing the construction diary and the construction book on both sides by the Contractor and the Supervisor and/ or the Buyer.

The warranty period for regularly performed works begins with the day of receipt and lasts 36 months, unless otherwise stated in the Contract/ Order/ Agreement. The Contractor guarantees the quality of the performed works contained in the contract and construction books, in accordance with the applicable legal regulations.

The repair of non-adequately performed work is carried out at the Contractor's expense, including all other direct or indirect costs. If, due to the removal of defects, costs arise during disassembly and assembly, as well as associated costs or costs to a third party, then the same shall be borne by the Contractor as obligations arising from the guarantee, even in the case that the work in question is not performed directly by the Contractor.

If the Contractor does not perform the request for removal of established defects within the specified period, the Buyer has the right to remove these defects through another company regardless of the duration of the warranty. The resulting costs are borne by the Contractor

In other cases, the type and extent of the guarantee follows exclusively according to the legal provisions. (Law on Obligation Relations, Law on Construction, etc.)

In case of installation of equipment/material, the Contractor is obliged to submit all necessary instructions for the use and maintenance of the delivered and installed equipment during the execution of the works in the Macedonian language.

The Contractor confirms that he has the necessary experience, professionalism and expertise needed to implement the Contract.

The Contractor is responsible for the deficiencies that would appear in the construction of the construction subject to the Contract/ Order, within ten years from the delivery and acceptance of the works.

## **24. Warranty against damages**

During the execution of the works from the Contract/ Order/ Agreement, the Contractor has criminal, material and moral responsibility for the correct and high-quality execution of the works.

The Contractor is responsible for all damages caused by the Contractor or by subcontractors hired by the Contractor, inflicted on the Buyer or third parties, with an obligation to compensate the Buyer or third parties for the caused damage.

## **25. Guarantee for damage to a group of Contractors**

The Buyer reserves the right to adopt a temporary solution for the distribution of the damages incurred from the performance of works to a group of Contractors, if they are not legally related, and in the Agreement for a group offer it is not explicitly stated which of the members of the group of Contractors will bear such damages. The Buyer has the right to deduct the costs of damages from the Contractor's invoice.

## **26. Guarantee for quality performance of the contract**

As security for the guarantee and claims arising from the legal guarantee (according to the Construction Law) for the works performed, the manufacturer's guarantee (for the equipment and materials provided by the Contractor) and from other types of damages, the Contractor is obliged to submit a bank guarantee for good performance of the works in the amount of at least 5% of the total amount of the contract/order, without VAT, with a duration equal to the performance deadline plus 20 days maximum deadline for delivery of the bank guarantee, counted from the initial day of validity of the contract/order, that is during the duration of the guarantee for quality performance of the contract as stated in the Contract/ Order. The Contractor is obliged to deliver the bank guarantee within 15 days of signing the Contract/ Order. In case of non-delivery of the bank guarantee within the specified period, a warning follows with an additional period of 5 days for delivery of the bank guarantee. If the bank guarantee is not delivered within that period, the Customer reserves the right to terminate the contract. If the warranty is not activated, upon written request, it will be released no later than 14 days after the expiration of the warranty period.

## **27. Supervision of execution of works**

The Buyer has the right to perform expert supervision over the works of the Contractor, for the purpose of checking and ensuring their orderly and high-quality execution, especially in terms of the type, quantity and quality of the works, materials and equipment and the expected time.

The Buyer has the right to access the construction site, workshops, plants and places for storing materials, for the purpose of professional supervision.

Professional supervision is carried out by the person determined by the Buyer, who informs the Contractor about this.

All comments and findings from the Buyer are communicated in writing or recorded in the construction diary.

The Contractor is obliged to act on all basic requests from the buyer submitted in connection with the performance of professional supervision.

## **28. Contract penalty**

If the Contractor does not fulfill his obligation or is late with its fulfillment, which will lead to the untimely realization of the contract/order, as well as to poor quality fulfillment of the contract/order, the Buyer reserves the right to:

- request for a contractual penalty
- unilateral termination of the contract/order/agreement
- compensation for the damage caused by non-fulfillment.

If, during the implementation of the contract/order/agreement, the Contractor cannot meet the performance deadline, the Contractor will notify the Buyer in writing and both parties will try to agree on another binding performance deadline, all in accordance with the Contract/ Order / Agreement.

In case of failure of the attempt to negotiate another binding deadline for performance, as well as in case the Contractor cannot keep the newly agreed deadline for performance, then the Buyer has the right to hire another Contractor for the performance of the contract/order/agreement, immediately after the failure of the attempt to negotiate another binding deadline for performance, i.e. after the expiry of such, newly agreed deadline, and in order to avoid, i.e. to reduce the damage caused by the non-fulfillment of the deadlines for performance. Such action does not release the Contractor from the calculation and collection of the contractual penalty by the Buyer.

In addition, the Contractor is obliged to compensate the difference in prices that will appear when hiring another Contractor for the performance of the Contract/ Order, immediately after the failure of the attempt to negotiate another binding deadline for performance, i.e. after the expiration of that newly agreed deadline, and after prior written request by the Buyer.

If the Contractor does not complete the work or a part of it within the agreed period or performs it outside the established periods for reasons for which he is to blame, i.e. for untimely realization of the contract/order, or performs it in poor quality, the Contractor shall pay the Customer contractual penalty in the amount of:

- 1% of the value of the Contract/ Order for each day of delay, but not more than 15% of the value of the Contract/ Order, excluding VAT or
- for low-quality performance, the value of the penalties is 15% of the value of the contract/order, excluding VAT.

For the calculation of the contractual penalty, the Buyer is not obliged to submit proof of damage or fault.

In case of contractually determined changes regarding the performance deadlines, the new performance deadline is authoritative for the calculation of the contractual penalty for delay.

In the event that the Buyer has been imposed a misdemeanor sanction in the form of a fine or has been offered a settlement by the competent state authorities for an offense committed, a request has been submitted for compensation for damage that is the result of untimely, incomplete or poor quality non-performance of the Contractor's obligations from the contract/order/agreement, the Buyer has the right to claim the paid amount in the name of fine, i.e. compensation for damages from the Contractor by issuing an invoice to the Contractor. All documents for the relevant case will be attached to the invoice.

## **29. Transfer of obligations and conclusion of subcontracts**

The Contractor shall not be relieved of its obligation under the Contract/ Order/ Agreement for that part of the works for which it was sub-contracted, and the Contractor shall be liable for the acts or performance of any sub-contractor or their employee, representative, officer and etc., and that completely, just as if they were employees of the Contractor, his officers or representatives.

Any assignment or sub-contract in violation of this provision shall be void, void and of no effect to Buyer.

The Contractor shall protect, secure and hold the Buyer harmless from all claims, demands, actions, processes, proceedings, damages, losses, taxes and expenses incurred, incurred or in connection with such transfers or sub-contracting.

The Contractor shall inform the Buyer in writing about all subcontracts concluded within the contract/order/agreement if they are not previously defined in the offer. Such information does not release the Contractor from any responsibility under this Agreement.

### **30. Remedies**

The Contractor shall not hold the Buyer liable, but shall indemnify and defend the Buyer and each of its employees, advisers, agents, directors, representatives, successors and assigns against all losses suffered as a result of any breach of an obligation of the Contractor arising from the contract/order/agreement and will defend each of them from any action according to the positive legislation.

The Contractor's indemnification obligation under the Contract/ Order/ Agreement shall also include an obligation to pay all costs (including reasonable attorneys' fees pursuant to attorneys' fees) and taxes arising out of any civil criminal or tax action, trial or process (or threat from them).

The Contractor has to settle the claim for compensation of damage from points 28 and 29 of the "Special legal provisions", within 15 days from the day of the notice given by the Buyer. Legal penalty interest will be calculated for any compensation amount that is not paid within 15 days from the day of notification.

### **31. Other**

The Contractor confirms that the realization of the contract/order/agreement will be carried out in accordance with the valid legal and by-laws in the Republic of North Macedonia.

By submitting his offer and signing the Contract/ Order/ Agreement, the Contractor declares that he has understood the provisions of the advertisement/request for offer with all accompanying documentation, that he has the necessary ability to implement the Contract/ Order/ Agreement and that the Contract/ Order/ Agreement will realize it according to the agreed prices and conditions.

All changes or additions to the terms of the Contract/ Agreement are made in writing or with Annexes to the Contract/ Agreement, duly signed by both contracting parties.

The Contract/ Agreement enters into force from the day of its signing by both contracting parties, and the order immediately after sending it by the Buyer to the Contractor.

The Contractor, by signing the contract/agreement or sending the order, confirms that he has received all the necessary information regarding the subject of the contract/agreement.

The Contractor is obliged to comply with all legal and by-laws and acts of the Buyer for the work that regulate the method and procedure when working in the circle of electric power facilities, that is, near electric voltage.