# CONTRACT

Ref. No. 280523/2017-ČRA

Between

### Contract Owner: Czech Republic – Czech Development Agency

Represented by: Mr. Michal Kaplan, Director

Residence: Nerudova 3, 118 50 Praha 1

Contract owner’s contact person: Štěpán Šantrůček

Phone.: +420 725 277923

E-mail: santrucek@czechaid.cz

Bank connection: Czech National Bank, Na Příkopě 28, Prague 1

Account Number: 0000 – 72929011/0710

(hereafter “CzDA“)

and

Supplier: **Rada Svitlica**

Residence: XXXXXXXXXXX Istočno Novo Sarajevo

Bosnia and Herzegovina

Supplier’s contact person: Rada Svitlica

Phone.: XXXXXXXXX

E-mail: XXXXXXXXXXX

Account No.: XXXXXXXXXXXXXXXXXX

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XXXXXXXXXXXXXXX

(hereafter “Supplier “)

on provision of services

1. **Subject of the Contract**
   1. The Supplier and the CzDA have agreed to cooperate on the CzDA´s project called “Sustainable production of traditional Livno cheese” (hereafter ”project“). Cooperative "Cincar" Livno (herafter “cooperative“) is producer of traditional Livno cheese. The cooperative needs to streghten in four areas, which is 1. financial projections and business strategy, 2. internal processes (managament, internal regulations, awareness of the internal rules) 3. production and hygiene, 4. PR and marketing. The Supplier will provide to the CzDA and the cooperative consultations, guidance and support in order to achieve above mentioned goal. Supplier's activities will take place in two phases.
   2. In the first phase the Supplier will prepare initial study (hereafter “initial study“) which will include data collection and SWOT analysis in order to determine strengths and weaknesses of the cooperative in the four above mentioned areas and conclusion how to proceed further. The conclusion should include proposal of activities (e.g. business plan, PR strategy) together with schedule and estimation of costs. The initial study will be finished within two months from the signature of this Contract. The Supplier will provide the initial study to the cooperative in two copies and to the CzDA in two copies. The initial study must be approved by the CzDA and the cooperative before proceeding to the second phase. The CzDA and the cooperative will pick up activities from the initial study which will be carried out in the second phase (hereafter “second phase activities“).
   3. In the second phase the Supplier can seek help of other experts such as graphic designers, accountants, lawyers, financial consultants and the CzDA will reimburse the Supplier with fee and other costs charged by these experts to the Supplier. The CzDA can state financial limit for reimbursement for each expert.
   4. In the second phase the Supplier will carry out second phase activities and provide to the CzDA and to the cooperative consultations, guidance and support in order to achieve goal stated in provisions of 1.1. Before proceeding to the phase two the CzDA will issue statement which costs of the second phase activities the CzDA undertakes to pay. The Supplier will also provide to the CzDA consultations concerning matters which are not connected to the second phase activities but are connected with the project or similar projects of the CzDA. The Supplier will provide to the CzDA statement of work for each calendar month. The statement of work will be provided together with a workplan for the next month including approximate budget, which shall be aproved by the CzDA.

**Period of performance:**

July 2017 – November 2018

1. **Terms of Payment**
   1. The CzDA shall reimburse the Supplier for the services and costs specified in Article 1 of this Contract. The maximum amount to be paid by the CzDA under this specific Contract for the services and costs listed in Article 1 of this Contract shall not exceed the amount of 35 000EUR, price including VAT.
   2. For the initial study the CzDA will pay to the Supplier remuneration in the amount of 800,-EUR, price including VAT. The remuneration includes all costs of the Supplier except of travel and accommodation costs which will be paid based on relevant accounting documents.
   3. For the consultations, guidance and support provided in the second phase the CzDA will pay to the Supplier monthly. For each hour spent by providing services in the calendar month the CzDA will provide remuneration in the amount of 12,50 EUR/hour, price including VAT. The number of hours shall not exceed 80 hours for one calendar month.
   4. The Supplier will each month issue statement of costs paid by the Supplier which CzDA has undertaken to pay according to its statement in Article 1. The CzDA will reimburse these costs to the Supplier.
   5. The payments will only be done in EUR.
   6. Figures in the Supplier’s invoices will be in EUR.
   7. The above mentioned amounts will be paid only by bank transfer to the following account opened in the name of the Supplier:

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* 1. Payments provided by the CzDA shall be based on the Supplier´s proper requests of payment.
  2. The request for the payment shall be admissible only if accompanied by the relevant invoice issued by the Supplier and in accordance with Article 1. The invoice for services provided in the phase two should be annexed by statement of work and statement of costs as well as respective documents proving the costs paid by the Supplier according to provisions of Article 2, Section 2.4. of this Contract. The request for the payment shall be submitted to the CzDA on the last workday of each month at the latest. The request shall be sent to the CzDA email address stated in this Contract.
  3. The CzDA shall reimburse the invoice to the Supplier within 21 days of the date on which the request for payment was approved by the CzDA.

1. **Obligations of the Supplier**

The Supplier undertakes to:

* 1. ensure provision of services in accordance with the terms and conditions set out in this Contract;
  2. observe any applicable laws in the execution of this Contract, and to hold the CzDA harmless of any claims from third parties (including State authorities) related to the execution of this Contract;
  3. provide the reports about execution of this Contract in English based on following scheme:
     1. until 30th November 2017 for the consultancies and other activities done in 2017
     2. until 30th June 2018 for the consultancies and other activities done in the period of 1/2018 – 6/2018
     3. until 30th November 2018 for the consultancies and other activities done in the period of 7/2018 – 11/2018

The reports shall include narrative description of all activities performed, copies of education materials, attendance lists, subcontracts, photos and other relevant documentation.

1. **Patents, licenses and intellectual property**
   1. The Supplier undertakes to protect the CzDA against all third-party actions for breach of copyright or other intellectual property rights, which might arise out of this Contract.
   2. The Supplier declares that it is the rightful owner of the intellectual rights to all information supplied by virtue of this Contract, and that it is entitled to sell or transfer those rights in accordance with the terms of this Contract. If intellectual rights are the property of third parties, the Supplier shall request those third parties to confirm to the CzDA, in writing and within four weeks following signature of the Contract, that the Supplier is indeed entitled to sell or dispose of those rights in accordance with the terms of this Contract.
   3. When the provision of services involves the use of a patent, certificate of utility (utility model), trademark, industrial drawing or model belonging to a third party, the Supplier shall indemnify the CzDA against infringement proceedings brought by that party.
   4. The CzDA and the Supplier shall exchange all information on any industrial property right that could impede the performance of the Contract.
2. **documentation**
   1. The Supplier shall provide free of charge to the CzDA any update of the documentation provided under this Contract.
   2. The Supplier shall permit the CzDA to reproduce all or part of the documentation provided, for its internal needs, directly connected with use by its personnel. The CzDA shall ensure that any indication concerning the intellectual property rights appearing on the original copies is reproduced.
3. **quality and standards**
   1. The Supplier undertakes to perform the Contract to the highest professional standards. The Supplier shall have sole responsibility for complying with any legal obligations incumbent on him, notably those resulting from employment, tax and social legislation.
   2. The Supplier shall have sole responsibility for taking the necessary steps to obtain any permit or license required for performance of the Contract under the laws and regulations in force at the place where the tasks assigned to him are to be executed.
   3. The Supplier must ensure that any member of the staff performing the Contract has the professional qualifications and experience required for the execution of the tasks assigned to him.
   4. The Supplier shall neither represent the CzDA nor behave in any way that would give such an impression. The Supplier shall inform third parties that he does not belong to the Czech public service.
   5. The Supplier shall have sole responsibility for the member of the staff that executes the tasks assigned to him.
   6. Should the Supplier fail to perform his obligations under this Contract in accordance with the provisions laid down therein, the CzDA may - without prejudice to its right to terminate the Contract - reduce or recover payments in proportion to the scale of the failure. The CzDA can only exercise this right after the Supplier does not repair such failure within 15 days from notification by the CzDA.
   7. The CzDA can monitor compliance with the standards.
   8. The Supplier must communicate and share all serious, important or relevant information concerning the project with CzDA and its representatives and third parties chosen by the CzDA, which are involved or interested in the project (e.g. respective embassy of the Czech Republic).
   9. Supplier is committed to state that the project was financed from the state budget of the Czech Republic within the framework of the Czech Development Cooperation when referring about the project and its involvement in the project for scientific, research and publication reasons, same as when providing any information concerning the project to the third parties. All published materials and outcomes connected to the project during its implementation and after its conclusion will be stamped by the logo of the Czech Development Cooperation of the Czech Republic. This logo will be provided to the Supplier by the CzDA in electronic form. Anytime, when Supplier uses his logo, Supplier must next to it use the logo of the Czech Development Cooperation at least of the same size.

# liability

* 1. The CzDA shall not be liable for damage sustained by the Supplier in performance of the Contract except in the event of willful misconduct or gross negligence on the part of the CzDA.
  2. The Supplier shall be liable for any loss or damage caused by himself in performance of the Contract, including in the event of sub-Contracting. The CzDA shall not be liable for any act or default on the part of the Supplier in performance of the Contract.
  3. The Supplier shall provide compensation in the event of any action, claim or proceeding brought against the CzDA by a third party as a result of damage caused by the Supplier in performance of the Contract.
  4. The Supplier shall take out insurance against risks and damage relating to performance of the Contract if required by the relevant applicable legislation. He shall take out supplementary insurance as reasonably required by standard practice in the field. A copy of all the relevant insurance Contracts shall be sent to the CzDA should it so request.
  5. The Supplier declares:

1. that he has not made and will not make any offer of any type whatsoever from which an advantage can be derived under the Contract;
2. that he has not granted and will not grant, has not sought and will not seek, has not attempted and will not attempt to obtain, and has not accepted and will not accept, any advantage, financial or in kind, to or from any party whatsoever, where such advantage constitutes an illegal practice or involves corruption, either directly or indirectly, inasmuch as it is an incentive or reward relating to performance of the Contract.

# taxation

The Supplier shall have sole responsibility for compliance with the tax laws, which apply to him. Failure to comply shall make the relevant invoices invalid.

# force majeure

* 1. *Force majeure* shall mean any unforeseeable and exceptional situation or event beyond the control of the Contracting parties which prevents either of them from performing any of their obligations under the Contract, was not due to error or negligence on their part or on the part of a Supplier, and could not have been avoided by the exercise of due diligence. Defects in equipment or material or delays in making it available, labour disputes, strikes or financial problems cannot be invoked as *force majeure* unless they stem directly from a relevant case of *force majeure.*
  2. If either Contracting party is faced with *force majeure*, it shall notify the other Contracting party without delay by registered letter with acknowledgment of receipt or equivalent, stating the nature, likely duration and foreseeable effects.
  3. Neither Contracting party shall be held in breach of its Contractual obligations if it has been prevented from performing them by *force majeure*. Where the Supplier is unable to perform his Contractual obligations owing to *force majeure*, he shall have the right to remuneration only for tasks actually executed.
  4. The Contracting parties shall take the necessary measures to reduce damage to a minimum.

# Termination of the Contract

* 1. The CzDA reserves the right to terminate this Contract and the Supplier undertakes to repay the expenses in the following cases:
  2. the Supplier fails to deliver any services under the terms of this Contract;
  3. the Supplier fails to fulfill any of the terms of this Contract;
  4. the CzDA seriously suspects the Supplier of fraud, corruption, involvement in a criminal organization or any other illegal activity detrimental to the CzDA's financial interests.

With the exception of fraud, corruption, involvement in a criminal organization or any other illegal activity detrimental to the CzDA's financial interests, this right can only be exercised by the CzDA after such failure is not repaired by the Supplier within 15 days from notification by the CzDA.

* 1. In case of *force majeure*, notified in accordance with Article 9.2., either Contracting party may terminate the Contract, where performance of Contracted services cannot be provided for the period longer than two months.

# suspension of the Contract

Without prejudice to the CzDA's right to terminate the Contract, the CzDA may at any time and for any reason suspend execution of the Contract, pending orders or specific Contracts or any part thereof. Suspension shall take effect on the day the Supplier receives notification by registered letter with acknowledgment of receipt or equivalent, or at a later date where the notification so provides. The CzDA may at any time following suspension give notice to the Supplier to resume performance of this Contract. The Supplier shall not be entitled to claim compensation on account of suspension of the Contract, of the orders or specific Contracts, or of part thereof.

1. **Amendments**

Any amendment to this Contract must be in writing, signed by the Contracting parties hereto; failing which such amendment shall have no effect and be void.

1. **Applicable law and settlement of disputes**
   1. The Contract shall be governed by the national substantive and procedural law of the Czech Republic.
   2. Any dispute between the Contracting parties resulting from the interpretation or application of the Contract, which cannot be settled amicably, shall be brought before the courts of the Czech Republic.
2. **Final provisions**
   1. This Contract will be published in the register of contracts, which was established according to Act. No. 340/2015 Coll.
   2. This Contract becomes effective after the signing of this Contract by duly authorized representatives of both Contracting parties and its publication in the register of contracts.
   3. Done in Prague and Sarajevo in three original counterparts in the English language, from which CzDA will receive two counterparts and the Supplier will receive one counterpart.

In Prague on ……………………… In Sarajevo on ………………….

For and on behalf of the CzDA For and on behalf of the Supplier

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Mr. Michal Kaplan, Director Ms. Rada Svitlica