**Contract for Work**

concluded in accordance with Section 2586 et seq. of the Act No. 89/2012 Coll., Civil Code,

as amended (hereinafter referred to as the “Act”)

Client’s Contract No.:

# Contracting Parties

* 1. **Client BÍLOVECKÁ NEMOCNICE, A.S.**

Address: 17. listopadu 538, 743 01 Bílovec

Represented by: Ing. Kamil Mašík and MUDr. Dagmar Palasová

Entitled to execute the Contract: Ing. Kamil Mašík and MUDr. Dagmar Palasová

Authorized representative in terms of:

a) Technical specifications: Jiří Chrástek, Technical Operation Deputy

Company Identification No.: 26865858

Tax Identification No.: CZ6865858

E-mail:

Account No., Bank connection:

Incorporated in the Companies Register:

(hereinafter referred to as the “Client” as the Contracting Party)

and

* 1. **Contractor**

With the registered office at:

Represented by: *(in case of legal entity: fill in statutory body, name, surname, position)*

Entitled to execute the Contract on the basis of . . . . . . from *(date)*. . . . . .: *(fill in in case of legal entity, if statutory body does not execute the Contract or in case of natural person if represented e.g. on the basis of power of attorney) (fill in name, surname and position)*

Authorized representative in terms of technical specifications:

Company Identification No.:

Tax Identification No.:

Bank connection:

Account No.:

E-mail:

Incorporated in the Companies Register:

(hereinafter referred to as the “Contractor” as the other Contracting Party)

# Fundamental Provisions

* 1. The Contracting Parties declare that the data stated herein and their business licenses are in accordance with the reality at the time of concluding this Contract. The Contracting Parties undertake to notify changes of the given data immediately to the other Contracting Party. The Contracting Parties declare that the persons executing the Contract are authorized to do so.
	2. The Contractor represents that it is qualified to provide the subject of fulfillment in accordance herewith.
	3. The representatives of the Client:
* Building Developer Supervisor:
* Technical Supervisor:
* Health and Safety Coordinator:
	1. The representatives of the Contractor:
* Authorized to manage construction works, coordinate subcontractors and solve all issues related to work implementation (hereinafter as the Construction Manager): . . . . . . . *to be completed by the Contractor in accordance with the Qualification Documentation*

The Construction Manager may be possibly replaced only after a written consent of the Client and only under the condition that the newly nominated Construction Manager meets the original qualification criteria for this position, i.e. Authorized engineer or technician in the field of building construction with minimum 5 years of practical experience in building construction.

* 1. The representatives of the Client and the Contractor shall represent the Client and the Contractor in particular within the following:
* technical solutions
* confirmation of the list of implemented works and approval of tax document
* confirmation of the work handover and takeover protocol
* inspection of covered parts and performance of prescribed tests, etc.
	1. The Contracting Parties have agreed that the technical supervision for construction may not be performed by the Contractor nor any other person related to it. Violation of this obligation is considered a material breach hereof and the Client may withdraw herefrom.
	2. The Contractor declares that within procurement procedure conducted in accordance with the Act No. 137/2006 Coll., on Public Contracts, as amended (hereinafter referred to as the “Act on Public Contracts”), it stated all and any information in offer and documents which reflect reality and affected or may have affected the result of the procurement procedure. Violation of this obligation is considered a serious breach hereof and the Client may withdraw herefrom.
1. **Contract subject**
	1. The subject hereof is implementation of work – construction **“MODERNIZATION OF PREMISES TO IMPROVE CARE FOR LONG STAY PATIENTS IN BÍLOVECKÁ NEMOCNICE, A.S.”** (hereinafter as the “Construction” or “Work”),
* in accordance with the Project Documentation elaborated by . . . . . . . . . . on . . . . . under the No. . . . . . . (hereinafter as the “Project Documentation”),
* in accordance with the Annex No. 1 Itemized Budget hereto
* elaboration of documentation of actual construction and
* geodetic survey of work.
	1. The Contracting Parties declare that the subject hereof is not impossible to fulfill and they execute the Contract after careful consideration of all possible consequences.
	2. The Contractor hereby undertakes to perform in its name, on its own expenses and in its risk the Work specified in the Article 3.1. and 3.4. hereof.
	3. Implementing the Construction is understood as a full, functional and faultless implementation of all construction and assembly works, structures, material supplies, technical and technological equipment, including all activities related to fulfilling the subject hereof and necessary for putting the Work subject into use. In particular, this includes:
1. provision of essential measures that are necessary to prevent damage to all utility lines during the construction
2. provision of all essential research studies necessary to duly implement and finish the Work in relation to results of the research studies presented by the Client
3. provision of all organization and construction technological measures to duly perform the Work
4. all and any works, supplies and services related to the safety measures for protection of people and property (in particular pedestrians and vehicles in the construction location)
5. implementation of measures to temporarily protect trees that are to be preserved, structures and constructions, measures to protect and secure tools and material on the construction site
6. elaboration of workshop and production documentation necessary for construction implementation
7. security service for construction and construction site, provision of health and safety at work and protecting the environment
8. discussion and provision of possible special use of roads and public areas including payment of assessed charges and rent
9. provision of traffic signs to traffic restrictions, their maintenance and relocation and subsequent removal
10. provision and implementation of all prescribed or agreed tests and revisions related to the Work including provision of protocols
11. provision of attests and documents of required product features (declaration of conformity)
12. provision and removal of construction equipment including connection to utility lines
13. collection, storage and disposal of waste in accordance with relevant legal regulations
14. reconstitution of all areas affected by the Construction (roads, sidewalks, greenery, ditches, culverts, et.)
15. notification of Construction initiation in accordance with legitimate decisions and statements e.g. to utility lines authorities, etc.
16. securing conditions set by utility lines authorities
17. provision and fulfillment of conditions arising from territorial decision, building permit or other documents
18. provision of winter equipment, lighting equipment if necessary
19. coordination and completion of the entire building construction
20. daily cleaning of the construction area, concurrent cleaning of communications and damages on communications
21. fencing or any other appropriate security including visible billboard sign of the construction in accordance with the methodical instructions if the grant provider and all the costs of the fencing, security and signs shall be included in the Work price.
	1. Documentation of actual implementation shall be made in accordance with the following principles:
22. all changes which have been made in the course of the construction shall be visibly marked in the Project Documentation approved by the Building Office.
23. components that have not been changed shall be marked by the sign “No Changes”
24. each (printed) design in documentation of the actual construction implementation shall be provided with name and surname of processor of Project Documentation regarding actual construction implementation, his / her signature, date and the Contractor’s stamp
25. designs including changes agains Project Documentation which have been approved by the Building Office shall be provided with references to documents from which negotiation of a change with the Contractor’s responsible person and his / her approval shall arise or to a document by which a change has been approved by the relevant Building Office or any other replacing authority.
	1. The documentation of the actual work implementation shall be handed over to the Client at the latest on the day of takeover in three printed counterparts and 1 digitalized counterpart on a CD/ DVD.
	2. The geodetic survey of the actual construction implementation shall be performed and certified by relevant surveying engineer and shall be handed over to the Client in 3 printed and 1 digitalized (CD/DVD) counterparts.
	3. The Contractor is obliged to provide the geodetic survey of the actual construction implementation in the given extent including survey of greenery and other objects located on the affected properties. The Contractor is further obliged to elaborate geometric plan in cases when the implemented construction requires necessary records in the Land Register in accordance with legal regulations.
	4. In case of doubts, the Work subject is all and any work and supplies included in the Project Documentation without regard to the fact whether they are given in text or design part.
	5. In case that the Client shall order extra work to the Contractor in the rules of procedure without publication in accordance with Section 23, paragraph 7 of the Act No. 137/2006 Coll., on Public Contracts as amended, the Contractor is entitled to perform these only in case that the extra work is in accordance with the Act.
	6. The Client reserves a right to limit or reduce the Contract subject by works and supplies included in the documentation. Works and supplies that are included in the documentation and the Client does not require their implementation are called cancelled works.
	7. If any changes, supplements or extensions of the Contract subject, arising from the conditions within Construction implementation, are made in the course of the construction pursuant to the Contractor’s expertise or on the basis of Client’s request, the Client is obliged to provide a list of these changes, supplements or extensions including explanatory memorandum. The Contractor is obliged to evaluate the list in accordance with the procedure agreed herein and present the list with the explanatory memorandum (change sheet) in print and 1 digitalized form on a CD/DVD to the Client for approval. After the Client‘s approval, a written supplement hereto shall be concluded between the Contracting Parties. Only after it is executed is the Contractor entitled to changes implementation and payment.
	8. The Client is entitled to complete, change or extend the Contract subject with other works or supplies necessary for the Construction implementation, if it is not a significant change hereof pursuant to the provisions of the Section 82, paragraph 7 of the Act on Public Contracts. In that case the Contractor undertakes to provide and perform these works and supplies for a payment, if the Contractor is entitled to perform these works on the basis of results of selection procedure in accordance with relevant legal regulations on public contracts.
	9. The Client is entitled, even in the course of work implementation, to require material alterations against previously designed and agreed materials in such a way that the quality and price remain the same in order not to increase the total sum of the contractual fulfillment arising herefrom. The Contractor undertakes to accept the Client’s requirements.
	10. The Contractor confirms that it has fully familiarized itself with the extent, content and character of the Work, properly inspected the Project Documentation which it has taken over, i.e. textual part, work description, design part, statement and standpoints of authorities, organizations, owners and utility lines authorities and the bill of quantities as of the execution day hereof. All unclear implementation conditions have been clarified with the Project Documentation Processor, Client and by a visit to the location. The Contractor further confirms that it is aware of all and any technical, qualitative, delivery, local conditions at the Construction or any other conditions necessary for implementing the Work and that it possesses such expert capacities and knowledge which are essential for Work implementation. All and any requests on the Client have been incorporated hereinto including all and any possible risks arising from the implementation of the Construction.
	11. The Contractor also confirms that it is fully familiarized with other conditions of fulfillment of its obligations hereunder which arise herefrom but are not explicitly stated herein.
	12. The Contractor confirms it has been acquainted with all documentation, it has taken over this documentation from the Client, it has checked the documentation and therefore shall exercise no costs from the grounds of different assessments.
	13. The Contractor shall ensure in the course of the Work implementation full synergies of all its representatives with the representatives of the Project Designer, Client, prospective operator, owners and utility lines authorities, or as the case maybe with other participants of the land and construction operation and owners of the neighboring real estate.
	14. The Client undertakes to take over the Work or a part thereof free from defects and arrears of work by concluding this Contract and to pay the Price agreed hereby to the Contractor under the conditions hereof.
	15. The Contractor is obliged to implement the Work in its own name, on its own responsibility, at its own expense and risk.
	16. The Contractor is obliged to observe the subcontractor scheme presented in the offer within the framework of the selection procedure carried out in accordance with the Act on Public Contracts which is the Annex hereto and an integral part hereof (Annex No. 2). If the Contractor is willing to use other subcontractor for Construction implementation which is not included in the Annex No. 2 hereto, it is obliged to inform the Client of this change in writing for Client‘s approval at least 5 days before the subcontractor begins working on the Construction. A supplement hereto shall be concluded between the Contracting Parties to document this fact. If the Client disagrees with the different subcontractor, the Contractor is not authorized to allow the subcontractor to initiate works.
	17. The condition for a change of a subcontractor, through which the Contractor proved his qualification in the procurement procedure, is fulfillment of these qualifications which were used in the selection procedure by the Contractor to prove meeting qualification requirements through a subcontractor specified in the Annex No. 2 hereto.

If the Contractor proved qualification in accordance with the Section 56, paragraph 3 c) of the Act No. 137/2006 Coll., on Public Contracts, as amended (hereinafter as the Act on Public Contracts), in its offer through a subcontractor that shall be changed, the newly proposed subcontractor shall be an authorized engineer or technician in the field of building construction with minimum 5 years of experience in this field. This fact shall be proved to the Client by presenting a statutory declaration of the authorized person (the Construction Manager) and by presenting a simple copy of the certificate of authorization.

If the Contractor proved qualification in accordance with the Section 56, paragraph 3a) of the Act on Public Contracts in its offer through a subcontractor that shall be changed, in case of the newly proposed subcontractor, the Contractor shall present a list of construction works implemented by this subcontractor in the last 5 years and certifications of clients of due fulfillment of these construction works at least in the same extent (number of implemented construction work tasks) in which qualification trough the “original” subcontractor was proved in the Contractor’s offer. The subject of the implemented construction works shall be building construction or reconstruction. Minimum financial volume of an individual referential order is CZK 17,000,000.00 without VAT.

The Contractor is further obliged to present:

1. documents proving fulfillment of the basic qualification requirement in accordance with Section 53, paragraph 1 j) of the Act on Public Contracts and professional qualification requirement in accordance with Section 54 a) of the Act on Public Contracts by a subcontractor,
2. a contract concluded with a subcontractor, out of which the subcontractor’s commitment to provide fulfillment designed to fulfill Public Contract by the Contractor or to provide things or rights which the Contractor shall be authorized to dispose of within the framework of fulfilling the Public Contract shall arise.
	1. The Contractor is obliged to observe all and any requirements stated in the standpoints of the given authorities within implementing the Construction. Further, it is obliged to comply with the requests of the owners of the public transport and technical infrastructure for existence of their equipment listed in the standpoints and Contracts which the investor has concluded or shall conclude within the framework of the Construction.
	2. The Contractor acknowledges that the Construction shall be co-financed from the programme of Swiss – Czech Co-operation, register subproject No. CH.10/1/007. Project name: **“MODERNIZATION OF PREMISES TO IMPROVE CARE FOR LONG STAY PATIENTS IN BÍLOVECKÁ NEMOCNICE, A.S.” The Contracting Parties have agreed that the Client is entitled to withdraw herefrom, if the grant provider decides not to provide grant to the Client for the Work (Construction) or the grant shall be of lower amount than the Client requested. The Contracting Parties have agreed that if the Client withdraws herefrom in accordance with this Article, the Contractor shall waive the right to compensation.**

**The Client shall immediately inform the Contractor about this fact and ask to stop working. The Contractor is entitled to settlement of the hitherto performed works.**

1. **Work ownership and risk of damage**
	1. The owner of the implemented Work subject is the Client.
	2. The owner of the building equipment, including the machines, mechanisms and other items necessary for implementing the Work, is the Contractor who bears the risks of damage to the equipment.
	3. All and any expenses incurred from damage elimination shall be paid by the Contractor and these expenses do not influence the agreed Price.
	4. Damage on the Work means loss, destruction, damage or deterioration of an item regardless of the cause.
	5. The risk of damage to the Work shall be borne by the Contractor from the beginning until the day of handover and takeover of the entire Work by the Contractor and the Client.
	6. If the Contractor’s activity causes damage to the Client or a third party due to failure, neglect or failure to comply with the conditions arising from the law, technical and other standards or arising herefrom, the Contractor is obliged to eliminate the damage without undue delay and if this is not possible, to financially settle the damage. All and any related expenses shall be borne by the Contractor.
	7. The Contractor is also responsible for damage to the Work caused by persons implementing the Work for the Contractor.

4.8 The Contractor is also responsible for damage caused by circumstances that originated from nature of machines, devices or other items which the Contractor used or intended to use to implement the Work.

1. **Period and place of fulfillment**
	1. The Client shall hand over the construction site within 15 days from execution day hereof by delivering a written notice to the Contractor. The Contractor is obliged to take over the construction site if the Contracting Parties have not agreed otherwise. A record shall be made to document the takeover of the construction site by the Contractor in which the takeover shall be confirmed by the Contractor.
	2. The Contractor is obliged to start working on Work subject implementation at the latest within 3 working days from the day when the construction site was handed over procedurally and duly continue with it.
	3. If the Contractor does not start working on the Work even in the period of 7 working days from the day when it should have started to implement the Work, the Client is entitled to withdraw from the concluded Contract.
	4. The Contractor is obliged to perform the Work **in the deadline of 480 days** from the day of procedural construction site handover, while the deadline for finishing construction works is set to 470 days and the deadline for handover and takeover is set to 10 days. Implementation of the Work is understood as due completion and handover of the Work to the Client. Due completion of the Work means that the Work is free from defects and arrears of work.
	5. The deadline for implementing the Work in accordance with the Article 5.4. is bound by the obligation of the Client to hand over the construction site to the Contractor. If the construction site is not handed over by the Client, the Contractor may not demand fulfillment arising herefrom and the Client may not demand the fulfillment of the deadline for Work completion.
	6. The deadlines start on the day when the construction site is handed over, if the Contracting Parties have not agreed otherwise. The Contractor is obliged to implement the Work concurrently on both “B” and “C” buildings within Bílovická nemocnice, a.s. building complex and construction works on “B” building shall be completed no later than 120 days following procedural handover of the construction site. Construction works and supplies for “C” building shall be realized in the period in accordance with the provision of paragraph 5.4 hereof.
	7. The Contractor may finish working on the Work even before the agreed deadline for Work implementation and the Client is obliged to take over and pay for the prematurely finished Work.
	8. The Client reserves the right to change – postpone the date of initiation of Work subject implementation. The change – postponing of the deadline for the work initiation has no influence on the change of the deadline for implementing the Work in accordance herewith, i.e. the deadline for implementing the Work does not change and the agreed deadline in the Article 5.4. remains the same.
	9. In the event the Client requests, the Contractor shall stop working on the Work. The deadlines stated herein and referring to implementing Work shall be postponed for this period.
	10. If this interruption exceeds the period of three months, the Client is obliged to settle the performed works to the Contractor. Before commencing additional workss, the Client and the Contractor shall make a record in which they shall evaluate the actual technical state of the structures and work and they shall determine the extent of necessary alterations.
	11. Postponement of the deadline for implementing works may occur only in case of such climatic conditions which by their nature prevent implementing works and observing the technological procedures for the time during which the adverse climatic conditions shall last. The Contractor shall make a record of the adverse climatic conditions in the Construction Journal where it shall indicate the character of the climatic conditions and works that were not performed due to the climatic conditions. The Client shall state if it agrees with non-implementation of works due to adverse climatic conditions by a record in the Construction Journal. In case of the Client’s agreement with non-implementation of the Work, the deadline for work performance in the Article 5.4. shall be postponed for the time during which the Contractor is not able to perform work due to adverse climatic conditions.
	12. The Contractor shall fulfill its obligation to complete the Work by due completion and handover of the Work to the Client free from defects or arrears of work. The Client and the Contractor are obliged to make a record of the handover and takeover. The Client shall declare if it accepts or does not accept the Work at the end of the record and why.
	13. The Contractor is obliged to present the work schedule of the Work (hereinafter as the “schedule”) approved by the Client, at the latest as of the execution day hereof by both Parties. The schedule shall contain binding deadlines for individual works and include basic types of work minimally divided by components /in accordance with CBSW/ and their presumed time of completion and financial volume of performed works. The schedule of Work implementation is the Annex No. 3 hereto.
	14. The Contractor is obliged to present to the Client a financial schedule at the latest as of the execution day hereof by both Parties. The schedule shall be phased into calendar weeks. Financial demand on the construction works, supplies and services for each individual time spans shall be clear from the content of the schedule. The financial schedule is the Annex No. 6 hereto.
	15. The place of fulfillment is the building B and building C in the building complex of Bílovecká nemocnice, a.s., 17. listopadu 538, 743 01 Bílovec.
2. **Work price**
	1. The Contracting Parties have agreed that the price for the Work implemented in the extent indicated in the Article No. 3 hereof and in the deadline in accordance with the Article No. 5 hereof is set in accordance with the Act on Prices and is as follows:

|  |  |
| --- | --- |
| Price free from VAT | CZK |
| VAT …% *Indicate according to reality* |  *Indicate according to reality* CZK |
| VAT …% *Indicate according to reality* |  *Indicate according to reality* CZK |
| **Price incl. VAT** | **CZK** |

The Client purchases the subject of fulfillment hereof for its own economic activity. If the implemented construction and assembly works are classified under the numeral codes 41-43 of the CZ-CPA products classification, the Client is obliged to settle the tax pursuant to the Section 92e of the Act No. 235/2004 Coll., as amended, on Value Added Tax. The Contractor shall issue tax documents without the VAT for the performed work.

* 1. The Price for the implemented Work is set by agreement of both Parties in accordance with the bill of quantities and the Contractor’s specification of work and supplies which are stated in the Project Documentation and Itemized Budget in the Annex No. 1 hereto.
	2. The Itemized Budget including the recapitulation is attached hereto. Units’ prices in the Itemized Budget are fixed and constant prices for the whole period of construction. The Contractor has no right to demand increase of the agreed Work price due to errors or defects in the Itemized Budget.
	3. The price is set as the maximum permissible and valid price until the deadline for completion and procedural handover of the Work to the Client. Any price changes in connection to price development have no influence on the total agreed Work price.
	4. The Contractor is liable for the fact that the value added tax tariff is set in accordance with valid legal regulations.
	5. The price includes all and any expenses and profit of the Contractor necessary for due and timely completion of the Work. The price in particular includes, in addition to the construction works and supplies, costs of construction, maintenance and removal of the construction site equipment, costs of operational impacts, off-site transport, material transfer, performance of all and any tests and revisions necessary for Work completion, energy, water, heating costs and any other services as the case may be for the period of Work implementation, costs of sorting secondary raw materials, disassembly and sorting dismantled products in such a way to sell secondary raw materials individually by the virtue of their types, costs of securing safety and health at work, measures to protect the environment, construction and personal insurance, organization and coordination activity, charges for occupying public space and ensuring essential transport measures. The agreed price includes the presumed development of prices of input costs and presupposed price increase in dependence on fulfillment time until the deadline of Work completion agreed herein.
	6. A list of work, supplies and services, evaluated by the Contractor, constitute the Itemized Budget. Itemized Budgets of constructional and operational units are used for financial volume reports of the implemented works and for evaluation of additional works (extraworks) or for reducing the extent of the Work (cancelled works) or changes.
	7. The Contractor is obliged to immediately elaborate the Change Sheet to every change in volume or quality of the implemented works which is recorded and agreed in the Construction Journal or in the record of the Periodical Meeting. The Change Sheet is the basis for elaborating Supplements hereto.
	8. Price change:
1. the Contractor shall evaluate the List of Construction Works, Supplies and Services to be performed in addition or which shall not be implemented, by unit prices of the Itemized Budgets,
2. it is necessary to consider a corresponding share of costs of construction object, operational unit or the Construction in the amount corresponding to their share in the Itemized Budgets in the price of Work extent reduction (cancelled works),
3. if works and supplies constituting additional works (extraworks) are not included in the Itemized Budget, the Contractor shall use unit prices amounting to the corresponding prices in the RTS or ÚRS price list,
4. the unit prices may be set by an individual calculation performed by the Contractor on the basis of an agreement between the Client and Contractor, particularly in cases when the given items of construction work, supplies or services are not included in the RTS or ÚRS price lists, which shall be an integral part of the Change Sheet,
5. VAT shall be calculated to the prices of additional works (extraworks) or Work extent reduction (cancelled works) amounting in accordance with the legal regulations.
	1. The Client shall apply its demands for additional works (extraworks) Work extent reduction (cancelled works) by a record in the Construction Journal or by a record in the Periodical Meeting. The Contractor is entitled to require reasonably increased price for additional works (extraworks) only in case that the extent, type or implementation of the Work shall be changed by the influence of the Client’s supplementary demands (extraworks) in comparison to construction procurement documentation or the Bill of Quantities stated herein. The Contracting Parties have agreed that in case of Work extent reduction, the Contractor has no right for compensation for damages, expenses or lost profit it incurred in consequence of the cancelled works.
	2. The Contracting Parties are obliged to conclude a Supplement hereto in case of a change of the Work price due to Work extent reduction (cancelled works) or additional works (extraworks). After approval and execution of this Supplement by both Parties, the Contractor has the right to settlement of additional works (extraworks) or in case of Work extent reduction, the Price shall decrease.
	3. It is vital to immediately incorporate additional works – Work extent reduction (extraworks – cancelled works) when implementing the Construction into the Change Sheet.
6. **Payment conditions**
	1. The Contractor is not entitled to require component of the Work price during Work implementation. The Client shall not provide advance payments of the Work price.
	2. Works shall be settled on the basis of monthly partial tax documents (hereinafter as the “Invoices”).
	3. The Contractor shall present the evaluated List of Implemented Works to the Client always at the latest until the fifth working day of the following month. The Client is obliged to give its opinion to this List of Implemented Works at the latest within 3 working days from delivery of the List of Implemented Works. After the Client’s consent, the Contractor is obliged to issue an Invoice for partial fulfillment always at the latest until the tenth working day of the corresponding calendar month in which the Client agreed with the List of Implemented Works. The Contractor is obliged to deliver the Invoice to the Client within 3 days from issue thereof. The day of Invoice issue is not considered the day of partial fulfillment. The day of partial taxable fulfillment is considered the last day in a month in which the partial taxable fulfillment on the Work occurred. The List of Implemented Works and Supplies shall be the component of the Invoice, made in two counterparts, with date and signatures of the authorized representatives of the Client and Contractor which mutually confirm the implemented partial taxable fulfillment on the Work.
	4. The Contracting Parties have agreed that the price of a part of the Work invoiced by the Contractor to the Client in last Invoice represents the so called “retainage” (hereinafter as the “Retainage”) which shall ensure due fulfillment of the Contractor’s obligations arising herefrom. The Retainage shall not exceed 10% of the total agreed Work price. The Retainage shall be settled by the Client to the Contractor within 14 days after removal of defects and arrears of work claimed at handover and takeover of the entire Work or if any defects on the Work occur during the period until takeover of the Work free from defects and arrears of work by the Client, the Client shall settle the Retainage to the Contractor within 14 days after the last defect is removed.
	5. The maturity date of each Invoice shall be 30 days from its delivery to the Client.
	6. The Invoice shall be delivered personally to the Client’s registry or as a registered letter by a post license holder.
	7. The Client is entitled to control invoiced works by comparison with the Construction Journal, List of Implemented Works or directly at the construction site.
	8. The Contractor is obliged to allow the Client’s authorized representatives to perform control.
	9. To ensure due fulfillment of the Contractor’s obligations, the Client is entitled to suspend financing in case when the Contractor stops working unreasonably, works are implemented contrary to the Project Documentation, provisions of the Concluded Contract, declared conditions of the procurement procedure or the Client’s instructions.
	10. If the Client is in delay with Invoice settlement for more than 30 days, the Contractor is entitled to interrupt the implementation of the Work until the Invoice is settled. The deadline for completing the Work shall be postponed for the same period for which the Client has been in delay with settlement.
	11. The Contractor’s Invoices shall contain the particulars of a tax document in accordance with the Act No. 235/2004 Coll., on VAT as amended. The Invoice shall include Client’s Contract No. An Annex shall be an integral part of the Invoice – clear and legible List of Implemented Works evaluated in accordance with the Itemized Budget and agreed by the Client – and shall be made in two counterparts.

Obligatory particulars of accounting documents:

* identification of the Contractor (name, address, Company Identification No./ Tax Identification No., bank connection, stamp, signature)
* identification of the Client (name, address, Company Identification No./ Tax Identification No.)
* financial amount – (free from VAT, VAT only, including VAT)
* date of Invoice issue, date of taxable fulfillment and maturity date)
* number of units, unit price and total price, in the structure and form in accordance with the Annex No. 1 Itemized Budget
* name of the subproject, subproject No.
* formulation in Czech: **Podpořeno z Programu švýcarsko-české spolupráce**
* formulation in English: **Supported by a grant from Switzerland through the swiss Contribution to the enlarged European Union**
* stating the program logo in accordance with the methodic instructions of the Grant Provider (freely available at www.swiss-contribution.cz)
	1. In case when the Contractor accounts work or supplies which have not been implemented, mistakenly accounts price or the Invoice does not include any of the obligatory or agreed particulars, the Client is entitled to return the defective Invoice without payment to the Contractor before the maturity day and to require issue of a new Invoice or corrective tax document. The reason for return shall be highlighted in the returned Invoice. The Contractor shall correct the mistake in accordance with the Client’s instructions by issuing a new Invoice or corrective tax document.
	2. If the Client returns a defective Invoice to the Contractor, the original maturity date is not valid anymore. The maturity date shall be valid from the delivery date of a newly issued Invoice or corrective tax document to the Client.
	3. The obligation to pay is fulfilled on the day when relevant amount is charged off the Client´s account.
	4. The Contractor is obliged to reimburse Invoices legitimately issued by subcontractors under the conditions stipulated in contracts concluded with subcontractors. If the Contractor does not fulfill this obligation and is in delay with payment for longer than 30 days, the Client may (at its discretion), upon request of a subcontractor approved by it, pay the amount owed directly to the subcontractor, supported by documented evidence proving due fulfillment of the given obligation part and valid claim for duly applied payment. The Client is entitled to account the amount paid to the subcontractor in accordance with the prior sentence to the Contractor against its due or subsequently originated financial receivables or to request the Contractor to immediately reimburse this amount to the Client’s account. If the Contractor does not reimburse the amount at the latest within 2 days from the delivery of the request, it is obliged to pay to the Client a contractual penalty amounting to CZK **10,000** for each day of delay. This direct payment from the Client to the subcontractor shall not influence the corresponding provisions hereof regulating the Retainage and contractual penalties.
	5. The Contractor is obliged to specify the construction site equipment in the Invoice and prove it with photographs. If items in the Invoice do not explicitly determine the amount of implemented works or material, the Contractor is obliged to provide a detailed specification of these items or substantiate them by relevant documents (e.g. to the item “Charge for Dump Storage,” individual weight notes shall be attached to the Invoice).
	6. The Contracting Parties have agreed that the Contractor shall use the account number published in accordance with the Section 98 of the Act No. 235/2004 Coll. in the Register of Taxpayers and Identified Persons in the Contract and in the documents.
1. **Work quality – way of ensuring due fulfillment**
	1. The Contractor undertakes that the overall features summary of the implemented Work shall give the ability to meet the set needs, i.e. usability, security, availability, reliability, maintainability, efficiency within respecting the principles of environmental protection. These shall correspond to the valid legal regulations, Czech Technical Standards, construction procurement documentation and procurement procedure documents and the concluded Contract for Work. For this purpose the Contractor undertakes to use exclusively the materials and structures which meet the requirements on quality and which have a declaration of conformity in accordance with the corresponding act on technical requirements on products.
	2. The Contractor is obliged to proceed in accordance with the Project Documentation of the Construction, valid legal regulations connected to construction, approved technological procedures set by valid and recommended Czech or European technical standards and safety regulations, in accordance with the current standard of used technologies and procedures for this type of construction while implementing the Work to maintain the agreed Work Quality. The Contractor’s binding obligation is to maintain the quality of all works and supplies stipulated in the concluded Contract. The Contractor is obliged to eliminate all detected defects and arrears of work at its own expenses.
	3. The Work shall show parameters set by the Project Documentation of the Construction and shall not deviate from the CSN (Czech Technical Standards) and technical requirements on construction according to which the Project Documentation is elaborated. The parameters of the Project Documentation are binding for the Contractor.
	4. In case that it shall be necessary to use procedures and materials that are not stated in the Project Documentation, only those that correspond to the valid and recommended Czech or European technical standards at the time of Work implementation may be used. Any changes against the Project Documentation shall be agreed by the Client and technical supervision in advance.
	5. The Quality of the supplied materials and structures shall be documented by a prescribed method at control visits and at handover and takeover of the Work or a part thereof.
2. **Work implementation and control principles of works performed by Contractor**
	1. The Contractor undertakes that the Work shall be performed under its name and on its responsibility.
	2. The Contractor undertakes to secure the approach and arrival to individual real estate including potential supply if the nature of the Construction requires so.
	3. The Contractor shall reconstitute the lands affected by the Construction and hand these over to their owners by the Handover and Takeover Protocol if the nature of the Construction requires so.
	4. The Contractor undertakes to duly mark the construction-site in accordance with generally valid legal regulations after takeover. The Contractor shall provide construction-site equipment and its removal including the connection to the utility lines, costs related to this procedure are included in the agreed Work price. The Contractor is obliged to maintain order and cleanness at the taken construction site and to ensure dumps for every type of waste arising from the implementation of the subject of Work.
	5. After taking over the construction site the Contractor shall provide fencing or other suitable security of the construction site after and the costs related to this procedure are included in the agreed Work price.
	6. The Contractor is fully reliable for safety and protection of all persons in the construction site area and undertakes to provide them with protective equipment. The Contractor undertakes to cooperate with the Health and Safety Coordinator authorized by the Client for the entire time of preparation and implementation of the Construction.
	7. If necessary within the framework of implementing the Work, the Contractor shall provide permission to closures, excavations, road acquisitions and greenery clearing, installation and maintenance of temporary traffic signs, etc. in accordance with procurement documentation of the Construction and restoration including handover to administrator or owner. The Contractor is obliged to secure the Construction in such manner it does not threaten, excessively or unnecessarily annoy the Construction’s surroundings, pollute roads, etc.
	8. The Contractor undertakes to implement works requiring special expertise or permission by persons who meet this condition in accordance with the corresponding regulations.
	9. The Contracting Parties shall stipulate regular Control Days in order to control the Work implementation on the Day of Handover and Takeover. If it is necessary to convene an extraordinary Control Day, the Client is responsible for convening; however, the Contractor is obliged to participate in the extraordinary Control Day. The Contractor is obliged make a record of the course and conclusions of the Control Day.
	10. The Contractor is obliged to invite the Client to control and check works that shall be covered or shall not be accessible in the course of the next procedure (a record in the Construction Journal shell be sufficient). The Contractor is obliged to invite the Client at the latest 5 days before the deadline after which the subjected work shall be covered. If the Contractor does not do so, it is obliged to enable the Client to perform additional control and to bear the related costs.
	11. If the Client does not arrive to perform control despite timely written invitation, the Contractor is entitled to cover the subjected works. If the Client additionally requests to uncover the works, the Contractor is obliged to uncover the works at Client’s expenses. If it is discovered that works have not been properly performed, The Contractor shall bear all and any expenses related to uncovering, repairing the defected state and subsequent covering.
	12. A record in the Construction Journal shall be made of the control of the covered parts of the Work and it shall include the Client’s consent with covering the subjected Work parts. In case that the Client has not arrived to perform control despite Contractor’s invitation, this fact shall be recorded in the Construction Journal instead of the Client’s consent.
	13. The Contractor is obliged to immediately notify the Client of possible unsuitability of implementation of demanded works.
	14. The Contractor is obliged to obtain things necessary for implementing the Work, if not explicitly stipulated herein that it is the Client’s obligation.
	15. The Contractor is obliged to ensure and finance all and any subcontractor works and is responsible for these works as if the works were performed by the Contractor.
	16. The Contractor undertakes that all and any subcontractor works shall be performed in accordance with the subcontractor scheme which was presented in the offer placed in the framework of the selection procedure conducted in accordance with the Act on Public Contracts and which is stated in the Annex No. 2 hereto. If the Contractor does not follow the subcontractor scheme stated in the Annex No. 2 hereto, it shall be considered a serious breach hereof and the Client may withdraw herefrom.
	17. The Contractor undertakes to present to the Client original or a certified copy of liability insurance contract (including all related insurance conditions and other possible relevant arrangements) for insurance for damage that may be caused by the Contractor’s activity or inactivity in relation to the fulfillment of the subject hereof to the Client or any third party and liability insurance for business activity (hereinafter as the “Insurance Contract”) amounting to the indemnity corresponding to capital sum of CZK 10 million, within the territory of the Czech Republic and the Contractor’s contribution of 10% at the latest on the execution day hereof. In case that the Client finds the Insurance Contract insufficient in terms of ensuring the Contractor’s liability, it shall notify the Contractor in writing of this fact without undue delay and invite it to remedy the situation including stating the deficiencies which the Client discovered in the insurance and the period for eliminating these deficiencies which shall not be shorter than 15 days. The Contractor undertakes to eliminate the deficiencies highlighted by the Client within the set period.
	18. The Contractor undertakes that the Insurance Contract, insurance as the case may be, shall be maintained valid and effective for the entire term hereof. The Contractor is obliged to provide evidence of the term of the Insurance Contract to the Client on request.
	19. The Client is entitled to withdraw herefrom if the Contractor does not comply with any obligation stipulated in the Article 9.17. or 9.18. hereof.
3. **Construction Journal**
	1. The Contractor is obliged to keep the Construction Journal in the form of daily records in accordance with the legal regulations. This obligation applies also to constructions which are the subject of consent with registered Construction implementation.
	2. The records in the Construction Journal may not be rewritten, crossed and the first pages with the original text may not be plucked. Each record shall be signed by the Construction Manager of the Contractor or its authorized representative.
	3. The Construction Journal shall be kept and documented by the Contractor from the day of taking over the construction site until handing over the Construction by the Client.
	4. The Contractor shall submit the first copy of daily records from the Construction Journal to the Client or its authorized representative during controls or on the day of takeover by the Client.
	5. The Contractor shall keep, in addition to the Construction Journal, the journal of additional works (extraworks) and Work extent reduction (cancelled works) which shall separately serve as the basis for elaborating a prospective Supplement hereto, unless the Contracting Parties have agreed otherwise. The Contractor, Client and Chief Designer shall confirm they agreed with the proposal and implementation of additional works (extraworks) and Work extent reduction (cancelled works) in this journal. The Contractor’s record shall include a reference to the record in the Construction Journal and specification of time, location and reason for additional works (extraworks).
4. **Handover and takeover of Work**
	1. The Work shall be handed over by record of Work handover and takeover after Construction completion (in accordance with the Project Documentation, Bill of Quantities and provisions hereof specifying completion of the Construction). The Contractor undertakes to inform the Client about Work handover by a record in the Construction Journal within 5 days before initiation of the takeover procedure or by a record from the Control Day.
	2. The Contractor shall write a record of Work handover or a part thereof and it shall include in particular:
* identification of the Work
* identification of the Client and Contractor,
* number and date Contract for Work execution, including numbers and dates of executing the Supplements hereto,
* date of issue and numbers of building permissions,
* initiation and completion of works on the implemented Work,
* declaration of the Client that it takes over the Work,
* date and location Protocol formation ,
* names and signatures of Client’s and Contractor’s representatives,
* list of accepted documentation,
* list of costs from the beginning until the completion of the Work or a part thereof,
* deadline for clearing the construction site,
* date of Work warranty termination,
	1. During the Work handover, the Contractor shall hand over the documents of due implementation of the Work in accordance with technical standards and regulations, performed tests, attests and documentation in accordance herewith, including the declaration of conformity.
	2. The Contractor and Client are entitled to include anything they consider necessary in the Protocol.
	3. The Contractor undertakes to remove equipment and clear the construction site at the latest within 5 days after handover and takeover of the Work.
	4. The Contractor is not entitled to suitably sell the Work on behalf of the Client if the Client does not take over the completed Work without undue delay.
1. **Warranty conditions and Work defects**
	1. The Work is defective in particular if its implementation does not meet the requests stated herein, corresponding legal regulations, standards or other documentation related to the Work implementation, or if it is not possible to use it in the way for which it has been designed and implemented as the case may be.
	2. The Contractor is responsible for defects which occur in the course of implementation, also for defects that occur at the time of handover and takeover and defects that occur during the warranty period. The Contractor is responsible for defects occurring after the warranty only in case that these have been provably caused by breaching its obligations.
	3. The warranty period for the Construction is agreed **for 60 months**. All and any supplies of machines, technological equipment, objects of gradual consumption shall have warranty identical with the warranty provided by manufacturers, however, the Contractor shall guarantees at least 24 months. The warranties stated above are valid under the assumption that all operation and maintenance rules are adhered to.
	4. The warranty begins on the day of handover of the Work without defects or arrears of work to the Client by the Contractor.
	5. The warranty does not run for the time during which the Client is not able to use the Work. For the parts of the Work that were repaired by the Contractor in a consequence of Client´s compliant, the warranty is runs again from the beginning from the day when a repair was provided pursuant to complaint.
	6. The Client is obliged to complain about the defects of construction works in writing at the Contractor without undue delay after it discovered the defects. The Client shall notify the Contractor in writing of the defect, describe the defect, and indicate how it is manifested. As soon as the Client sends the written notification, it is considered that it requires defect removal for free unless it states otherwise.
	7. The Contractor is obliged to immediately proceed to remove the complained defect at the latest within 2 days after receiving the complaint, even in case it does not accept the complaint. The Contractor shall bear the costs of defect removal, even in controversial cases until a court issues a decision.
	8. The Contractor is obliged to start removing the defect within 5 days from the day of delivery of the written notification of defect if the Contracting Parties do not agree otherwise. In case of an accident, it is obliged to start removing the defect within 24 hours from the Client’s notification if the Contracting Parties do not agree otherwise. The Contractor is obliged to remove the defect at the latest within 2 working days from initiation of works if the Contracting Parties do not agree otherwise. Technological deadlines and climatic conditions for performing works shall be respected for deadlines for removing defects in accordance with this provision.
	9. If the Contractor does not proceed to remove a complained defect in the agreed period, the Client is entitled to authorize any other expert legal entity or natural person to remove the defect. All and any costs incurred by such procedure shall be borne by the Contractor.
	10. The Contractor shall hand over implemented defect repair in writing to the Client.
	11. The Contractor shall ensure traffic signs including traffic organization for the period of removing the defect at its own expenses.
	12. The complaint may be applied at the latest until the last day of warranty period while a complaint send on the last day of warranty period is considered as applied in time.
2. **Contract conditions and interest on late payment**
	1. If the Contractor is **in delay** with implementing the Work in the agreed deadline in accordance with the Article 5, paragraph 5.4. hereof, the Client is entitled to require settlement of **a contractual penalty amounting to CZK 50,000.00 for each day of delay**, if the Contracting Parties do not agree otherwise.
	2. In case that the Construction shall be implemented by subcontractors contrary to the subcontractor scheme stated in the Annex No. 2 hereto, the Client is entitled to charge contractual penalty amounting to **CZK 300,000.00** to the Contractor.
	3. In case the Client shall **not comply** with **maturity date** of the Contractor’s individual Invoices, the Contractor is entitled to charge interest on late payment amounting to **0.05%** from invoiced price **for each day of delay**.
	4. In case that the Contractor shall **not comply** with the date of **issue** of individual Invoices and their **delivery**, the Client is entitled to charge interest on late payment in the amount set in accordance with Section 252, paragraph 2 of the Act No. 280/2009 Coll., Tax Code, from the amount of transferred VAT in accordance with Section 92e of the Act No. 235/2004 Coll., on VAT **for each day of delay**.
	5. The Contractor is obliged to settle contractual penalty amounting to **CZK 10,000.00** to the Client for each evidenced case of noncompliance with keeping the work place clean or breaching the health and safety regulations, if the Contracting Parties do not agree otherwise. The fine shall be charged after the Contractor did not remove insufficiencies recorded in the Construction Journal by the Client or its authorized representative in a set and additional period.
	6. In case the deadline for removing the defect which has occurred during the warranty period is not met, the Client is entitled to charge contractual penalty amounting to **CZK 10,000.00** to the Contractor for each commenced day of delay of with defect removal and for each defect or arrear of work, if the Contracting Parties do not agree otherwise.
	7. In case the Contractor does not comply with the set deadline for proceeding to remove the defect in warranty period, the Client is entitled to charge contractual penalty amounting to **CZK 10,000.00** for each defect or arrear of work and each commenced day of delay with proceeding to remove defects, if the Contracting Parties do not agree otherwise.
	8. In case the Contractor does not comply with the deadline for removing equipment and clearing the construction site after handover and takeover of the Work, the Client is entitled to charge contractual penalty amounting to **CZK 10,000.00** for each commenced day of delay with removing equipment and clearing the construction site, if the Contracting Parties do not agree otherwise.
	9. In case the commitment to implement the Work expires before due completion of the Work, the claim for contractual penalty shall not expire if it originated by an earlier violation of obligations.
	10. Expiry of the commitment by late fulfillment shall not mean expiration of the claim for contractual penalty for delay with fulfillment.
	11. The contractual penalties stipulated hereby shall be settled by the obliged Party regardless of the misconduct and on the fact if and in what amount the damage has arisen to the other Party, which may be enforced separately.
	12. The contractual penalties shall not be accounted to compensation for potentially arisen damage.
3. **Final provisions**
	1. The Contract shall come into force and effect on the day of execution hereof by both Contracting Parties.
	2. The Contracting Parties may change or supplement the Contract only in case the conditions for assigning a Public Contract and the Act No. 137/2006 Coll., on Public Contracts, as amended, are not violated, in the form of written supplements which shall be numbered in ascending order, explicitly declared as Supplements hereto and executed by authorized representatives of the Contracting Parties.
	3. The contractual relationship may be terminated only by a written agreement.
	4. The Client and the Contractor are entitled to withdraw herefrom under the conditions stipulated in the Commercial Code and the Client may also withdraw herefrom in accordance with the Article 2., paragraph 2.6., paragraph 2.7., Article 3., paragraph 3.23, Article 5., paragraph 5.3. and Article 9., paragraph 9.16, paragraph 9.19. hereof.
	5. The Contracting Parties have agreed that if a completely unexpected circumstance occurs and makes the Work completion significantly difficult, the Contractor shall bear the risk of changes in circumstances and shall not require increase in Work price or cancellation hereof.
	6. In case the commitment expires before due fulfillment of the Work, the Contractor is obliged to immediately hand over the unfinished Work to the Client including things it has purchased and which are components of the Work and settle the potential damage. The Client is obliged to settle the price of the purchased things which are components of the Work. The Contracting Parties shall conclude an agreement in which mutual rights and obligations shall be regulated modified.
	7. The Contractor or the Client may not transfer their rights and obligations arising herefrom to a third Party without mutual consents.
	8. Persons executing this Contract shall confirm the validity of their authorized representations by affixing their signatures hereto.
	9. The Contracting Parties both declare that they have read this Contract before its execution and that it has been concluded after mutual negotiation in accordance with their right and free will, precisely, seriously and comprehensibly and not in distress or under suspiciously unfavorable conditions and that they have agreed on the entire content hereof which is confirmed by their signatures.
	10. The Contract is made in 4 counterparts with validity of the original, signed by authorized representatives of the Contracting Parties while the Client shall obtain 3 copies and the Contractor shall obtain 1 copy.
	11. The Contractor undertakes to allow the employees or agents of authorized bodies to enter the object and the lands affected by the project and its implementation and to control the documents related to the project. The control shall be conducted by the following institutions: Ministry of Health – EF, Control Department, Supreme Audit Office, Ministry of Finance – Control Department, National Co-ordination Unit, Swiss Agency for Development and Cooperation, Office for Protection of Competition, Tax Office. The candidate is obliged to create conditions for control and provide synergy, enable access to original accounting documents, records and information on media.
	12. The Contractor is obliged to keep all and any documents related to the project for the period of ten years after financial conclusion of the project in a proper way in accordance with the Act No. 499/2004 Coll., on Archiving and Records Management and on Amendment of Selected Acts, as amended, and the Act No. 563/1991 Coll., on Accounting, while the course of the period begins from the 1 January of the subsequent calendar year after the last payment for the project is settled.
	13. The Public Contract does not follow the regime of secret information protection. The Contractor is aware that the concluded Contract for Work shall be published with all its Annexes.
	14. No words are corrected, rewritten or in-written in the Contract. Both Contracting Parties confirm the correctness and authenticity hereof by executing this Contract.
	15. The following Annexes are an integral part hereof:
4. Itemized Budget including recapitulation,
5. Subcontractor scheme presented in the offer applied in the framework of the selection procedure.
6. Time schedule of Work implementation – Time Schedule
7. Integrity clause
8. Declaration of integrity
9. Financial schedule

In Bílovec, dated In …………….. dated

for the Client for the Contractor

…………………………….. …………………………………………

for Bílovecká nemocnice, a.s.

*Name, surname of the person Legal entities: For…. (e.g. ČEZ Distribuce, a.s.)*

 *authorized to sign + position Fill in name, surname, position*

 *of the person authorized to sign and if it is not*

 *statutory body, the basis on which it is authorized*