# AGREEMENT ON THE RIGHTS AND OBLIGATIONS OF THE PUBLIC INVESTMENT MANAGEMENT OFFICE AND MUNICIPALITY IN THE EXECUTION OF THE FACILITY REHABILITATION \_\_\_\_\_\_\_\_\_\_\_\_\_

Executed on\_\_\_\_\_\_\_\_\_\_\_ 2018, between

1. **The Public Investment Management Office of the Republic of Serbia, 11 Nemanjina St., Belgrade,** represented by Marko Blagojević, Acting Director, registration number 07020171, TIN 109311023 (hereinafter referred to as: **the Office**)

and

1. **The Municipality of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** represented by\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, President of the Municipality, registration number \_\_\_\_\_\_\_\_\_\_\_\_\_\_, TIN\_\_\_\_\_\_\_\_\_\_ (hereinafter referred to as: **the Municipality**).

Article 1

The Office and the Municipality (hereinafter referred to as: Contracting parties) hereby acknowledge:

- that the Government of the Republic of Serbia adopted the Programme for Rehabilitation and Improvement of Publicly-Owned Facilities of Public Purpose in the Area of Education, Health Care and Social Welfare, under the Conclusion no. 351-3817/2016 of 8 April 2016, as well as the Programme on the Amendments to the Programme for Rehabilitation and Improvement of Publicly-Owned Facilities of Public Purpose in the Area of Education, Health Care and Social Welfare under the Conclusion no. 351-9644/2016 of 11 October 2016 and the Programme on the Amendments to the Programme for Rehabilitation and Improvement of Publicly-Owned Facilities of Public Purpose in the Area of Education, Health Care and Social Welfare under the Conclusion no. 351-562/2017-1 of 24 January 2017 (hereinafter referred to as: the Programme);

- that the Programme envisages:

1. investor’s rights, on behalf and for the account of the Republic of Serbia, for the implementation of the projects regarding the facilities owned by the Republic of Serbia, shall be assigned to the local self-government unit where the facility of public purpose in the area of education, health care and social affairs is located,
2. the funds for the execution of the Programme shall be secured from the international development aid, financial and non-financial donations and loans, as well as from the budget of the RS in line with the budget liquidity possibilities and budget of the local self-government units;
3. the local self-government unit shall be in charge of the execution of the programme, which, upon receipt of the notification from the Office that the necessary funds for the execution of the project have been secured, shall initiate and conduct public procurement procedure and shall award the contractor with the contract signed by the Office as a coordinator;
4. the local self-government unit shall, for the payment purposes, submit to the Office a signed and stamped request for payment, along with the documentation of the implementation of the Public Procurement Contract;
5. the Office shall execute payments to the account of the Contractor, i.e. supplier or service deliverer, in line with the Public Procurement Contract;
6. that, in line with the Programme, Design for Rehabilitation of the Facility \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ was prepared with design value amounting to RSD \_\_\_\_\_\_\_\_\_\_\_ (\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_) without VAT incurred. Municipality \_\_\_\_\_\_\_\_\_\_\_\_\_\_ shall be in charge of the implementation of the project executed on its territory, with the incurred VAT.

**Subject of the Agreement**

Article 2

Subject of the Agreement shall be the regulation of mutual rights and obligations of all contracting parties in relation to the transfer and use of the funds for the execution of the project for rehabilitation and improvement, Project for Rehabilitation of the Facility \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in the Municipality \_\_\_\_\_\_\_\_\_\_\_\_, (hereinafter referred to as: the Project).

The Office shall execute payments per certificates, as per the contracted value of the works under the Project.

The contracted value of the works, in terms of paragraph 2 herein, shall be the value from the Public Procurement Contract.

Rights and Obligations of the Office

Article 3

The Office shall, in keeping with the Law, Enactment on Foundation and the Programme, coordinate public procurement procedure conducted by the Municipality, being the Contracting Authority, whose subject is procurement of goods, execution of works and services under the implementation of the Project, inform the local self-government unit to commence with the execution of the Project and oversee the execution of the contracted obligations, particularly:

1. share Guidelines for Technical designs and Energy Efficiency Elaboration preparation
2. shall electronically issue its opinion about the tender documentation, that the Municipality is obliged to submit to the Office prior to its publishing on the Public Procurement Portal and about the technical evaluation of bids;
3. shall propose its representative to be a member of the Public Procurement Committee;
4. shall appoint its representative to be a member of the Committee for Acceptance Certificate and the Committee for the Final Calculation of Works;
5. shall issue its opinion on all changes made throughout the validity of the Agreements, whose acquisition is obligatory for the Investor;
6. shall secure funds for paying supplementary and unforeseen works up to the amount envisaged under the Contract Agreement;
7. shall approve by way of the Report every interim, i.e. final certificate, made on the basis of the certified measurement book of the completed works and unit prices from the adopted bid and signed by the engineer. Submitted original of the certificate (interim or final) shall not be certified by the Municipality.
8. shall transfer the funds upon completed value of the contracted works to the account of the Contractor after the Office verifies the certificate sent by the Contracting Authority, with the incurred VAT within 45 days from the day of the receipt of the certified certificate;
9. if the Report partially disputed the sent certificate, the Office shall pay the undisputed portion of the certificate, whereas the disputed portion shall be borne by the local self-government unit. The disputable portion of the certificate shall imply works not covered by the Project, and which would enable full execution of the objective of the concluded Contract;
10. shall oversee the completed works by visiting the site where the works are being executed, with the obligatory announcement made to the Municipality being the Contracting Authority, at the latest 24 hours prior to the planned visit.
11. shall keep the collective records of the complaints filed by the citizens and shall respond to these complaints in relation with the execution of the works within this Programme.
12. Provide periodic training to municipalities and contractors regarding the Program procedures, technical criteria, lessons from previous renovated buildings and other information.

Rights and Obligations of the Municipality

Article 4

The Municipality of \_\_\_\_\_\_\_\_\_\_\_ shall:

1. Appoint Project Administration Team tasked to liaise, facilitate and implement all agreed procedures stipulated in Project Operation Manual and Memorandum of understanding signed with PIMO, headed by part-time Project Administrator and comprised from the personnel that should have competences in carrying out its functions on design reviews, procurement evaluation, construction oversight, environmental management, etc.
2. Upon the adoption of the Decision to Initiate Public Procurement Procedure, prior to the Decision on the Establishment of the Public Procurement Evaluation Committee, inform the Office thereto so that the Office appoint its representative to be a member of the Public Procurement Evaluation Committee, and to electronically submit to the Office for its opinion the overall documentation;
3. Submit to the Office the invitation to bid for the subject public procurement in “**doc“** format, as well as the accurate link to the invitation to bid and tender documentation, already posted on the Public Procurement Portal and the link to the webpage of the local self-government unit where the documentation is posted so that the Office post it on its own webpage;
4. Gather all necessary permits for the works, in line with the Law regulating the town planning and construction;
5. Inform the Office on the signed Contract with the Contractor and shall submit all copies of that Contract to be signed by the Office, which shall be accompanied by the bid of the bidder being an integral part of that Contract and other annexes being the integral part of the Contract;
6. Ensure technical supervision over the execution of the contractual obligations of the Contractor, particularly taking into account whether the works are being executed in line with the set standards and technical regulations envisaged under the Law for facilities being the subject of this Agreement;
7. Submit to the Office weekly reports on the Expert Supervision of the execution of the subject of the Contract Agreement, using the form submitted by the Office;
8. Introduce the Contractor into the works, handing him over the technical documentation and ensuring his smooth access to the site, at the latest in 10 days of the day the Contract Agreement enters into effect, unless otherwise agreed and communicated to the Office in writing;
9. Prior to the works on the site, designate by its written enactments a Coordinator for Safety and Health, at Workplace all in keeping with the Law regulating this subject-matter;
10. Submit to the Office all copies of the performance bond being the security of contractual obligations of the Contractor, and particularly a copy of the performance bond to eliminate all errors in the guaranteed period, for that is a precondition for the Office to execute the final certificate payment;
11. In case of activation of the performance bond, and in line with the Programme’s funding method, pay to the account of the Office the amount collected under the performance bond, otherwise keeping the amount of securities shall be deemed ineffective and inefficient spending of budgetary funds;
12. Bear all costs not envisaged under the Contract Agreement, whose realization is necessary so as to fully attain the goal of the signed Contract;
13. When handing over the works, obtain energy passport for the subject facility. The Municipality is obliged to, previously, sign a contract with the authorized legal entity possessing the licence for issuance of energy passport, and all in line with the Rulebook on conditions, content and manner of issuance of the certificate on energy performance of buildings (“Official Gazette of the RS”, no. 69/2012), as well as in line with the Law on Planning and Construction (“Official Gazette of the RS”, no. 72/2009, 81/2009 - correction, 64/2010 – CC Decision, 24/2011, 121/2012, 42/2013 – CC Decision, 50/2013 – CC Decision, 98/2013 – CC Decision, 132/2014 and 145/2014).
14. Post on its webpage and notice board the name of a contact person for the citizens to file their complaints in relation with the works executed within the Programme to. Likewise, the Municipality is obliged to submit to the Office all filed complaints, accompanied with the responses thereto, and the Office shall keep the collective records of them. The Municipality is obliged to respond to the complains regarding the works filed by the citizens within 48 hours.
15. When handing over the works, report on achieved energy savings (OPG forms) in accordance with the Rulebook on the way and terms of submitting data necessary for monitoring of Action Plan for Energy Efficiency in the Republic of Serbia implementation and on methodology for monitoring, verification and evaluation of its implementation, and send it over to the PIMO that will submit it to the MME
16. Enter the data on buildings included in the Program in ISEM database (data on buildings and data on energy consumption for previous 2 years) and continue to update data on energy of consumption of those buildings after projects completion.
17. Municipalities with more than 20.000 inhabitants, which are Energy Management (EM) Designated Organizations in accordance with Law on Efficient Use of Energy (LEUE) have to appoint energy managers and report on implementation of EM System as prescribed in regulation.
18. Provide at a reasonable distance a location for the disposal of industrial waste, in accordance with the Law on Waste Management ("Official Gazette of the Republic of Serbia" No. 36/09, 88/10 and 14/16) and the Decree on the Disposal of Waste to Landfills ("Official Gazette glasnik RS ", No. 92/10);
19. Ensure proper operations and maintenance of the renovated buildings and equipment installed under the Program and undertake repairs in the event of any damage caused by the building occupants or others, after expiration of guarantee period
20. Participate in periodic training offered under the Program to benefit from lessons learned in previously renovated buildings.
21. Participate in the annual social survey, administered under the Program, collecting data and sharing information on Program results, satisfaction, and other indicators required by the Office.

Payment Method

Article 5.

The Municipality of\_\_\_\_\_\_\_\_\_\_\_\_, shall submit to the Office, for the purpose of payment, signed and stamped request for payment along with the documentation on the execution of the contract (interim and final certificate, invoices, performance bonds and others) and the report of the engineer. The Office shall make payments to the account of the Contractor in line with this Agreement.

The Municipality shall, prior to any payment made to the contractor in line with the certificates, electronically submit to the Office interim or final certificate, signed by an engineer, but not certified by the Municipality, so that the Office prior to the payment approve the amount in line with the certificate and confirm that by the Report.

The Municipality shall submit to the Office for its certification all original copies of the certified interim or final certificates, already approved under the Report and whose amount of costs per certificates must be in line with the amount approved under the Report – as a condition for the payment of the certificate.

The Office shall keep two copies of original and certified certificates.

The Contracting Parties agree that the Office shall suspend the transfer of funds or terminate this Contract if, due to the treatment or non-appearance of the municipality, which are not caused by force majeure, the performance of the works is not carried out according to the contracted dynamics.

Article 6.

The Contracting Parties hereby agree to resolve all disputable issues regarding this Agreement in amicable fashion, and in case the agreement is not reached, the competent court in Belgrade shall resolve all disputes.

Article 7.

This Agreement is made in 4 (four) identical copies, 2 (two) for each Contracting Parity.

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| ON BEHALF OF THE OFFICE |  | ON BEHALF OF THE MUNICIPALITY |
| Marko Blagojević  Acting Director |  | President of the Municipality |