

VOLUME 2

**SECTION 1
CONTRACT FORM**

WORKS CONTRACT FOR EUROPEAN UNION EXTERNAL ACTIONS

NO. RSCP/2021/CT003 CIG ZD82EB7C7F

FINANCED FROM THE BUDGET TF-MADAD/2017/T04.40

Between

The Italian Agency for Development Cooperation (hereinafter AICS) – Beirut Office
Baabda – Presidential Palace Street, Kettaneh Construction Bldg – 1st fl.
Mount Lebanon – Lebanon
VAT No. 603 - 260148
Phone +961 (0)5 951 376/377/378 – Fax +961 (0)5 451 483

("The contracting authority"),

of the one part,

and

Danash Contracting and Trading Co. S.a.r.l.
Official registration number: [REDACTED]
[REDACTED]
[REDACTED], Lebanon
VAT number: [REDACTED]
Phone [REDACTED] - Fa [REDACTED]

("the contractor")

of the other part,

have agreed as follows:

PROJECT: Resilience & Social Cohesion Programme - Strengthening the resilience of host communities and Syrian refugees in Lebanon, Jordan and Iraq (Kurdistan) - Lebanon component

CONTRACT TITLE: Qartaba Concrete Water Channels

Identification number RSCP/LB/CALL004 CIG ZD82EB7C7F

Whereas the contracting authority would like the contractor to carry out the following works:

Construction of: rainwater channels along the sides of the roads of Qartaba village, Caza Jbeil, Mount Lebanon governorate, in order to drain excess water from the roads and to avoid floods in winter seasons, cars accidents and deterioration of the roads' infrastructure, and therefore to protect the roads and to maintain the safety of the people.



The works will include:

- Cutting and removal of existing asphalt layers;
- Earthworks (excavation/filling) including adequate compaction;
- Blinding concrete and reinforced concrete works for the channels, covers, manholes and culvert pipes crossing roads;
- Steel reinforcement works;
- Connections to existing manholes and culverts

and has accepted a tender by the contractor for the execution and completion of such works and the remedying of any defects therein.

It is hereby agreed as follows:

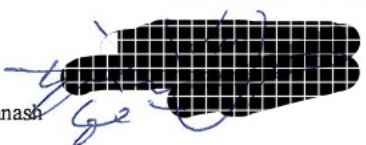
- (1) In this contract, words and expressions shall have the meanings assigned to them in the contractual conditions set out below.
- (2) The following documents shall be deemed to form and be read and construed as part of this contract, in the following order of precedence:
 - (a) the contract;
 - (b) the special conditions;
 - (c) the general conditions;
 - (d) informative on physical person data protection;
 - (e) informative on financial flow traceability;
 - (f) the bill of quantities and detailed breakdown of prices;
 - (g) the technical and/or performance proposal;
 - (h) the design documentation (drawings) ;
 - (i) the technical specifications;
 - (j) the COVID 19 Guidance for Employment-Intensive Projects in Lebanon;
 - (k) any other documents forming part of the contract.

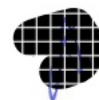
The various documents making up the contract shall be deemed to be mutually explanatory; in cases of ambiguity or divergence, they shall prevail in the order in which they appear above. Addenda shall have the order of precedence of the document they are amending.

- (3) In consideration of the payments to be made by the contracting authority to the contractor as hereinafter mentioned, the contractor undertakes to execute and complete the works and remedy defects therein in full compliance with the provisions of the contract.
- (4) The contracting authority hereby agrees to pay the contractor in consideration of the execution and completion of the works and remedying of defects therein the amount of:
 - Contract price (excluding VAT/other taxes) EUR 453,714.00
 - Contract price EUR four hundred fifty-three thousand seven hundred fourteen//00

or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the contract. VAT will be paid in compliance with the binding regulations, national law and international agreements concerning the execution of the project. VAT and other taxes shall not be paid on the funds originating from EU funds.

- (5) Other specific conditions applying to the contract:





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(5.1) This Project shall follow the guidelines on **Employment Intensive Projects (EIP)** that aims to contribute to mainstreaming development policy by placing key concerns of Job Creation, Poverty Reduction, and improvement of working conditions in the broader framework of nationally defined macro-economic employment and investment policy, particularly promoting EIP as an appropriate approach in times of social and economic hardship and crisis.

In this setting, the objective of Employment Intensive Projects is to provide public services and infrastructure projects along with the generation of immediate jobs, decent work and income opportunities for the affected population. Whilst EIPs aim at short-term opportunities, they should additionally aim at the provision of public infrastructure and services that support longer term social, environmental and economic development, including secondary employment effects.

Employment Intensive Projects should ideally apply work methods and technologies where the use of local human resources is favoured and optimised, without adversely affecting the costs and quality of the specified works.

(5.2) For the purpose of Article 14 of the General Conditions (Volume 2 Section 3) the following conditions shall apply, pursuant to **Lebanese Labour law dated 23/09/1946** and its subsequent amendments and **Lebanese Social Security Law dated 26/09/1963 promulgated by decree n° 13955**, and its subsequent amendments:

In its contractual relationship with its workers and employees in respect of the Project, the Contractor hereby warrants that it shall abide by all relevant laws and regulations in force in Lebanon, including but not limited to the following:

(a) Restrictions on the Employment of Minors under the Age of Eighteen (18):

- i. The Contractor has the duty to ascertain the age of minors and to require the latter to produce their ID prior to hiring them;
- ii. The Contractor is strictly forbidden to put to work any minors under the age of eighteen (18) on the roads and streets.

(b) Terms and Conditions Applicable to Work in General:

- i. The Contractor shall not make any discrimination based on gender with respect to the nature of work and the amount of wages or salary;
- ii. The maximum time of work for any worker who is more than eighteen (18) of age is forty-eight (48) hours per week;
- iii. After six (6) hours of work for men and five (5) hours of work for women the Contractor must give the worker at least one (1) hour break at mid-day;
- iv. Each worker must benefit from a rest of nine (9) continuous hours in every twenty-four (24) hours;
- v. Each worker shall be granted a weekly rest which must not be less than thirty-six (36) continuous hours.

(c) Safety and Prevention Requirements:

- i. The Contractor shall provide the workers with the proper equipment for their personal safety, and shall ensure the maintenance thereof as may be necessary. Furthermore, the Contractor shall require the workers to use such equipment and personal prevention means which are made available to them and to preserve the same with all due care;
- ii. The Contractor is required to keep a register recording and listing all of the aforementioned equipment;
- iii. The Contractor is forbidden to require the workers to carry with their own hands any items which could constitute any risk for the worker's health and safety due to their heavy weight;

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- iv. The Contractor must, to the extent that is possible, use the appropriate equipment so as to reduce or facilitate hand-carrying by workers;
- v. The Contractor must do whatever is necessary to ensure that every worker who is asked to hand-carry heavy weights, is qualified to do so and that he was sufficiently trained and informed in terms of technical working methods for the purpose of protecting health and preventing incidents;
- vi. The Contractor must take all the precautionary measures to protect the worker's eyes from any dust, fragments and the like resulting from the execution of works, and also to protect the workers hands and hearing while using certain equipment and machines;
- vii. The Contractor must set and implement the appropriate procedures in order to notify about any incidents on the work site;
- viii. The Contractor must make readily available any and all materials, equipment, systems, protective personnel clothes for workers, ensure the maintenance thereof and keep the same in good condition and valid for use without making the workers bear any expenses;
- ix. The Contractor must make available a box or a closet including all what is necessary for first aid (First Aid Kit). One of such boxes or closets must be available for every fifty (50) workers and should contain without limitation the following:

- Alcohol or non-alcohol antiseptic wipes	- Hydrogen Peroxide
- Bank-Aids	- Gauze
- Cotton Balls	- Saline
- Cotton swabs	- Dressings
- Iodine	- Eyewash
- Bandages	- Antiseptic solution
	- Relispray.

The box shall be put in an apparent and well known location and shall be entrusted for use to a worker having the required qualifications for providing first aid.

(d) Social Security Provisions:

- i. The Contractor must register all its workers of Syrian and Lebanese nationality working in Lebanon at the Lebanese Social Security National Fund (SSNF) for the branches of Family Allowances and Sickness-Maternity within fifteen (15) days and or before the probation period of three (3) months from the date on which they start to work;
- ii. The Contractor must pay all the contributions due to SSNF ("Social Contributions") for the aforesaid branches;
- iii. The Contractor must register the aforementioned workers with SSNF irrespective of whether they benefit from such branches;
Yet, the Contractor has no obligation to register non Lebanese workers for the end of service indemnity branch of the SSNF;
- iv. It is clearly understood and agreed that the social contributions shall be paid according to the percentages currently in force under the Lebanese laws;
- v. The Contractor is strictly forbidden to make the worker bear the entire percentage of social contributions, notwithstanding any agreement to the contrary between the Contractor and the worker.

(e) Wages and Salaries Tax and Family Deductions

- i. Wages and salaries tax and family deductions shall be paid and applied according to the current rates in force under Lebanese laws.

- (f) The provisions of Lebanese labour law shall be applicable to all salary-earners or wages earners, whether they are Lebanese or non-Lebanese nationals.

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Therefore, the Contractor's non-Lebanese workers shall benefit from all the provisions of Lebanese labour law.

(5.3) COVID-19 Measures

The MADAD-RSCP Programme must protect the health and well-being of workers and, in line with national measures, implement rigorous preventive measures at the workplace against the spread of the virus. These additional Occupational Safety and Health (OSH) measures include maintaining a minimum distance between workers at all times, the provision of protective equipment and the implementation of hygiene procedures. These measures are supported by awareness campaigns and information to the wider community to support behavioural change and reduce stigma. The contractor shall abide and follow the COVID-19 Guidance for Employment-Intensive Projects in Lebanon, a copy of this guidance will be available in the tender documents.

(5.4) Labour Monitoring:

The Contracting Authority reserves the right to inspect and monitor that the implementation of the contract by the Contractor is performed in compliance with the provisions of the specific conditions listed in Volume 4.4 Labour Schedule, particularly with regards to respecting the percentages of workers nationality and workers' salaries which shall be based on the actual market conditions.

For this aim, the Contractor shall prepare and submit the following documents:

- i. Daily Site Report;
- ii. Daily Attendance Sheet;
- iii. Weekly or Monthly Labour Report (showing the list of all labours, the total number of working days for each labour and the wages paid to each labour);
- iv. Payment slip / receipt for each labour;
- v. Any other relevant document deemed necessary for such monitoring.

In witness whereof the parties hereto have signed the contract. This contract shall take effect on the date on which it is signed by the last party, namely the contractor.

Done in English in two originals: one original for the contracting authority and one original for the contractor.

For the contractor

Name: Mohamad Hassan Danash

Title: General Manager

Signature: 

Date: 25-6-2021



For the contracting authority

Name: Donatella Procesi

Title: Director AICS Beirut Office

Signature: 

Date: 25-6-2021



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SECTION 2 SPECIAL CONDITIONS

CONTENTS

These conditions amplify and supplement the general conditions governing the contract. Unless the special conditions provide otherwise, the general conditions remain fully applicable. The numbering of the articles of the special conditions is not consecutive but follows the numbering of the general conditions. Other special conditions should be indicated afterwards.

Article 2 Language of the contract

- 2.1 The language used shall be English.

Article 4 Communication

- 4.1 All correspondence for all stages of implementation will occur through e-mail exchange between the contracting authority and the contractor.

For any communication to the contracting authority, please contact Eng. Lorenzo Colonna-Preti lorenzo.colonnapreti@aics.gov.it

For any communication to the contractor, please contact Eng. Riad Hammoud riadhammoud@hotmail.com.

Article 5 Supervisor and supervisor's representative

- 5.1 The works supervision will be performed by an Engineer called "Supervisor" appointed by the Contracting Authority.
- 5.3 The Supervisor shall provide Contract Management as provided in the Contract Documents. The tasks of the Supervisor are hereinafter described:
- a) The Supervisor shall at all times have access to the Works wherever and whether in preparation or progress. The Contractor shall provide facilities for such access so that the Engineer may perform the tasks under the Contract.
 - b) The Supervisor shall visit the Site twice a week to supervise the progress and quality of the Works and to determine in general if the Works are proceeding in accordance with the Contract Documents.
 - c) The Supervisor shall review and approve or take other appropriate action upon the Contractor's submittals such as Method Statement, Materials Data Sheets and Samples, Shop Drawings, As-Built Drawings, etc. to ensure their conformity with the design and with the provisions of the Contract Documents. Before the approval, the Supervisor shall discuss and agree on the above with the Resident Engineer. Such actions shall be completed within a maximum period of ten (10) working days from the receipt date of the submittals. The Supervisor's approval of a specific item shall not indicate approval of an assembly of which the item is a component.
 - d) The Supervisor shall have authority to reject work, which does not conform to the Specifications and the Contract Documents. Whenever he considers it necessary or advisable for the implementation of the intent of the Contract Documents, he will have authority to

require special inspection or testing of the work whether or not such work be then fabricated, installed or completed.

- e) Based on the payment documents submitted by the contractor in accordance with article 50 in the General and Special conditions, the Supervisor shall determine the amounts owed to the contractor after verification of the project documents specially the approved Requests for Inspection and shall issue a payment note.

- 5.4 The Supervisor shall be informed in written on a weekly basis about the Labour monitoring process that will be undertaken by an external entity contracted by AICS. The Supervisor shall receive all the elements and monitoring reports from the external entity.

Article 12 General obligations

- 12.9 In the implementation of the Program activities, the Contractor shall acknowledge the origin of the funds and shall recognize the efforts of the implementing agency by all appropriate means. The official logos of AICS, the Municipality and the project logo will be used in view of providing proper visibility to the Project activity, subject to the approval of the contracting authority. The Contractor is responsible to acknowledge the EU origin of the Project's funds in any advertising or publicity connected with the Project, in accordance with the guidelines on visibility and communication provided by the contracting authority.

Article 15 Performance guarantee

- 15.1 The amount of the performance guarantee will be 10% of the amount of the contract and any addenda thereto.
- 15.8 Within 60 (sixty) days after the deliverance of the certificate of provisional acceptance according to Article 60.1 and the completion of any outstanding work or reservation, 50% of the amount of the performance guarantee (except for amounts which are the subject of amicable settlement, conciliation, arbitration or litigation) may be released.

Article 17 Programme of implementation of tasks

The Contractor shall submit his own programme of implementation of tasks for the approval of the Supervisor and on behalf of the contracting Authority.

Article 19 Contractor's drawings and execution studies

- 19.1 The Contractor is required to respect the essential technical and performance characteristics of the Works submitted by the bid. The Contractor shall submit all deviations from bid technical specifications to the Supervisor's approval.

Article 20 Sufficiency of tender prices


- 20.4 Contract prices shall be firm, fixed, and non-revisable. Contract prices shall be denominated and paid exclusively in euros. Exchange rate risk or variations may not be subject to compensation whatsoever.

Article 34 Period of implementation of tasks

- 34.1 The period of implementation of tasks shall be 210 (two hundred ten) calendar days starting from the commencement order, following signature of the contract, until the provisional acceptance.

Article 36 Delays in the implementation of tasks

- 36.1 The rate of liquidated damages for delays in the completion of works shall be 0.1% of the contract price for every day or part thereof which elapses between the end of the period of






implementation of tasks and the actual date of completion, up to a maximum amount of 10% of the contract price or, if the contract is subdivided into phases, 10% of the price of the phase concerned.

Article 40 Origin and quality of works and materials

40.1 All goods purchased under the contract must originate in any eligible source country as defined by the relevant instrument financing the Programme.

For these purposes, 'origin' means the place where the goods are mined, grown, produced or manufactured and/or from which services are provided. The origin of the goods must be determined according to the EU Customs Code or the applicable international agreement.

When importing goods, any change in the specified origin must be pointed out to the project supervisor and approved by him.

Article 44: General principles for payments

44.1 Payments shall be made in Euro in accordance with the following option:

No.	Instalments
1	Pre-financing (10% of contract amount)*
2	Upon execution of 25% of Contract Amount
3	Upon execution of 50% of Contract Amount
4	Upon execution of 80% of Contract Amount
5	Upon execution of 100% of Contract Amount

*payment of pre-financing is subject to the provisions of art. 46 of General Conditions

An amount not exceeding 50% of the total amount of the contract shall be paid as local transfer from a Lebanese bank account to the Lebanese bank account mentioned in the financial identification form completed by the contractor. This modality of execution will be used to execute the payments of the first instalments up to the first 50% of the total amount of the contract. The remaining amount shall be paid as fresh money in a Lebanese bank account. In case the pre-financing is not executed, the payments of the instalments will be modified accordingly.

44.2 Executed quantities are submitted to the contracting authority, providing a copy to the Supervisor for approval over the quantities and the quality of executed Works. Invoices are submitted to the contracting authority for processing following the executed quantities approval.

Article 46 Pre-financing

46.1 Pre-financing is possible.

46.2 The total amount of the pre-financing is 10 % of the original contract price.

46.8 Repayment of the pre-financing shall take the form of deductions based on instalments claims, as per art. 44.1.

a) The flat-rate pre-financing (maximum of 10%) shall be repaid by means of deductions from instalments and, if necessary, the balance due to the contractor. This repayment shall begin with the first instalment and be completed, at the very latest, by the time 80% of the amount of the contract has been paid.



Repayment shall be made in the same currency as the pre-financing.

The amount to be deducted from each instalment shall be calculated using the following formula:

$$R = \frac{Va \times D}{Vt \times 0.8}$$

where:

R = the amount to be repaid

Va = the total amount of pre-financing

Vt = the initial contract amount

D = the amount of the instalment.

The result is rounded up to two decimal places.

Article 47 Retention monies

47.1 The sum to be retained from interim payments to guarantee implementation of the contractor's obligations during the defects liability period is 5 % of each instalment.

Article 48 Price revision

48.1 Contract prices are expressed and paid in Euro. Exchange risks and variations shall not be subject to any compensation whatsoever.

Article 50 Interim payments

50.1 Invoices for interim payments shall be based on actual progress of the works. Actual progress shall be agreed between the Contractor and the Supervisor and this signed statement shall be attached to the interim invoice.

50.2 The contractor shall submit officially to the supervisor the following documents for each interim payment request:

- Interim invoice showing the due amount in accordance with the progress of works, after all deductions and retentions;
- Cover Letter that narrates all the executed works to date and identify the work section subject of the interim payment request;
- Interim Payment Certificate showing the original quantities, the previously executed quantities, the current executed quantities subject of the interim payment request and the remaining quantities of the works.

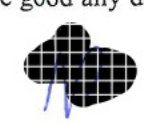
Article 51 Final statement of account

51.1 The contractor shall submit to the supervisor a draft final statement of account when it applies for the final acceptance certificate. In order to enable the supervisor to prepare the final statement of account, the draft final statement of account is submitted with supporting documents showing in detail the value of the work done in accordance with the contract and all further sums which the contractor considers to be due to it under the contract.

51.2 Within 30 days from issuing the final acceptance certificate referred to in Article 62, the supervisor shall prepare and signed the final statement of account.

Article 61 Defects liability

61.1 The defects liability period is defined as the period commencing on the date of provisional acceptance, during which the contractor is required to make good any defect in, or damage

to, any part of the work which may appear or occur during this period as notify by the supervisor or the contracting authority. The rights and obligations of the parties with regard to this defects liability period are laid down in Article 61 of the general conditions.

61.7 The defects liability period shall be 90 (ninety) calendar days starting from the provisional acceptance.

Article 68 Dispute settlement

68.4 Any disputes arising out of or relating to this contract which cannot be settled otherwise shall be referred to the jurisdiction of the Court of Beirut.

Article 72 Data protection

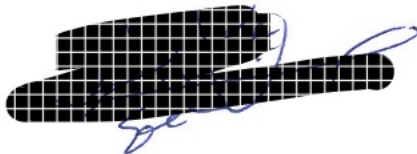
1. Processing of personal data related to the implementation of the contract by the contracting authority takes place in accordance with the national legislation of the state of the contracting authority and with the provisions of the respective financing agreement.

2. To the extent that the contract covers an action financed by the European Union, the Contracting Authority may share communications related to the implementation of the contract, with the European Commission. These exchanges shall be made to the Commission, solely for the purpose of allowing the latter to exercise its rights and obligations under the applicable legislative framework and under the financing agreement with the Partner country – contracting authority. The exchanges may involve transfers of personal data (such as names, contact details, signatures and CVs) of natural persons involved in the implementation of the contract (such as contractors, staff, experts, trainees, subcontractors, insurers, guarantors, auditors and legal counsel). In cases where the contractor is processing personal data in the context of the implementation of the contract, he/she shall accordingly inform the data subjects of the possible transmission of their data to the Commission. When personal data is transmitted to the Commission, the latter processes them in accordance with Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC¹ and as detailed in the specific privacy statement published at ePRAG.

The Contracting Authority guarantees the protection of personal data provided by the Tenderer pursuant to Italian laws in force, as specified in the informative under Annex d).

By signing such informative the Tenderer shall consent to the treatment of personal data by the Contracting Authority, and authorizes the Contracting Authority to make any investigation with the competent local authorities on the truthfulness of the declarations made and on the requirements possession.

* * *



¹ OJ L 205 of 21.11.2018, p. 39