

For design-build works that are performed as a result of procurement procedures determined in the Public Procurement Law in the sum, which is equal to or greater than 3 million euros

The International Federation of Consulting Engineers Conditions of Contract for Plant and Design - Build for Electrical and Mechanical Plant, and for Building and Engineering Works Designed by the Contractor

Sample draft contract

CONTRACT AGREEMENT

Contract: “<Contract name>” (No.:<Contract number>)

Date of this document is
the date of electronic signing thereof

<Name of the Customer>, Reg. No. <registration number>, <address>, represented by <position, given name and surname of the signatory> [, who acts pursuant to the <reference to the document certifying the signatory power>] (hereinafter - the Customer), on the one part,

and

<Name of the Contractor>, Reg. No. <registration number>, <address>, represented by <position, given name and surname of the signatory> [, who acts pursuant to the <reference to the document certifying the signatory power>] (hereinafter - the Contractor), on the second part,

based on the results of the procurement procedure “<Procurement procedure name>” organised by [the Customer] and the Contractor's Bid on the design of the <construction site description> and construction works in accordance with the Contract provisions (hereinafter - the Works), the Parties have agreed as follows:

1. The terms of the Contract include the General Terms and Conditions: The International Federation of Consulting Engineers Conditions of Contract for Plant and Design - Build for Electrical and Mechanical Plant, and for Building and Engineering Works Designed by the Contractor (the 2005 translation by the Latvian Association of Consulting Engineers), copies of which can be purchased from the Latvian Association of Consulting Engineers at Krišjāņa Barona iela 99/1a, Riga, LV 1012, e-mail: lika@lika.lv or www.fidic.org/bookshop, and the Special Terms and Conditions, which include amendments and supplements to the General Terms and Conditions, and Annexes to the Special Terms and Conditions.

If the terms used in the General Terms and Conditions of the Contract are ambiguous, their content shall be determined in accordance with the *International Federation of Consulting Engineers' “Conditions of Contract for Plant and Design - Build (First Ed, 1999) for Electrical and Mechanical Plant, and for Building and Engineering Works, Designed by the Contractor”* (English text), copies of which can be acquired at www.fidic.org/bookshop.

2. The words and expressions herein shall have the same meaning as defined for them in the provisions of the Contract.
3. The following documents form an integral part of the Contract:
 - a. The Contract Agreement;
 - b. Bid Letter and Annex to the Bid;
 - c. Terms and Conditions of the Contract;
 - d. Procurement procedure documents, including the Customer's requirements (technical specifications), qualification requirements to candidates and tenderers, additional information provided during the procurement procedure, minutes of the meeting of interested suppliers and other annexes;
 - e. completed Forms;
 - f. Contractor's Bid, including the Technical Offer, information on the Contractor's staff and Subcontractors.
4. Subject to the payments to be made by the Customer to the Contractor in accordance with the Contract provisions, the Contractor undertakes to design, perform and complete the Works in accordance with the Contract provisions and to eliminate all defects therein.
5. By observing the design, performance and completion of the Works and the elimination of all the defects therein, the Customer shall pay the Contract amount to the Contractor in accordance with the Contract provisions.

6. The accepted Contract amount, excluding VAT: EUR <...> (<amount in words> euros), of which:

- 6.1 for Design Works EUR _____;
- 6.2 for Construction Works EUR _____;
- 6.3 for Author's supervision works EUR _____.

[Amount of the 1st Stage of the Contract, excluding VAT: EUR <...> (<amount in words> euros),

Amount of the 2nd Stage of the Contract, excluding VAT: EUR <...> (<amount in words> euros),]¹

/

6. According to the Financial Offer submitted by the Contractor:

6.1 Accepted amount of the Contract (price for the performance of the Works), excluding VAT: EUR <...> (<amount in words> euros), of which :

- 6.1.1 For Design Works EUR _____;
- 6.1.2 For construction works EUR _____;
- 6.1.3 for Author's supervision works EUR _____.

[Amount of the 1st Stage of the Contract, excluding VAT: EUR <...> (<amount in words> euros).

Amount of the 2nd Stage of the Contract, excluding VAT: EUR <...> (<amount in words> euros).

6.2 price for Individual Works, excluding VAT: EUR <...> (<sum in words> euros).]²

Taxes shall be paid in accordance with the regulatory enactments in force.

**7. Requisites for making payments to the Contractor:
<details for making payments>.**

8. [If the Customer will need Individual Works, then, upon entering into a separate agreement on that to the Contract, the Customer shall assign the Contractor to perform the Individual Works or part thereof. In such case the Customer will submit the Contractor, no later than within ____ (___) weeks/months from the day of signing of the Delivery and Acceptance Report of the Place of Performance of Works/day of conclusion of the Contract, the agreement regarding the performance of the Separate Works or any part thereof. The Contractor shall not be entitled to refuse to sign the agreement on the performance of the Individual Works or a part thereof, if the Customer has complied with the time-limit specified in this Clause. The parties have the right to enter into several agreements on the performance of parts of the Individual Works within the time-limit referred to in this Clause.]³

9. [The Customer may refuse <...> Stage. The Customer may only refuse the stage in the following cases:

a. <...>

10. If the Customer has refused the Stage, it is considered that the Accepted Contract amount is reduced by the amount of the Stage.]⁴

¹ The wording of the Clause, if the Works within the framework of the Contract are divided into Stages.

² The wording of the Clause, if the Contract provides for Individual Works.

³ Clause 8 shall be included if the Contract provides for Individual Works.

⁴ Clauses 9 and 10 shall be included in the draft Contract and the Contract attached to the Regulations, if the Works are divided into Stages and the Customer wishes to reserve the right to refuse one or more Stages.

11. The Contract Agreement is prepared in the form of an electronic document and signed with a secure electronic signature.

12. The Contract shall enter into force on the day the Parties sign the Contract Agreement.

Contractor:

<Contractor's name>

<Position, name and surname of the person entitled to sign>

(signature*)

Customer:

<Customer's name>

<Position, name and surname of the person entitled to sign>

(signature*)

*THIS DOCUMENT HAS BEEN SIGNED ELECTRONICALLY WITH A SAFE ELECTRONIC SIGNATURE AND CONTAINS A TIME STAMP.
THE DATE OF SIGNING OF THE DOCUMENT IS THE DATE OF THE TIME STAMP OF THE LAST SIGNATORY.

ANNEX TO THE BID

Position	Subparagraph of the Contract	Data
Name and address of the Customer	1.1.2.2 & 1.3	<Name and registration number of the Customer, e-mail address>
Name and address of the Contractor	1.1.2.3 & 1.3	<Name and registration number of the Contractor, e-mail address>
Name and address of the Engineer	1.1.2.4 & 1.3	[<Name and registration number of the Engineer, e-mail address>] / [the Engineer shall be nominated before commencement of the Works]
Work performance time	1.1.3.3	<...> calendar months
Defect notification period	1.1.3.7	<...> calendar months
Electronic communication systems	1.3	E-mail
Applicable laws	1.4	Regulatory enactments of the Republic of Latvia
Prevailing language	1.4	Latvian
Communication language	1.4	Latvian
Contractual penalty for a failure to comply with the rules on confidential information	1.12	EUR [250.00-1500.00] ⁵ per each case
Financing of foreign financial instruments	1.15	Yes/not applicable
The time of availability of the work performance place	2.1	From the date of commencement of the Works
Contract Fulfilment Security	4.2	<10%> of the Accepted amount of the Contract ⁶
Term for reporting errors in the Customer's requirements and other defects in the Customer's requirements	5.1	<28> days following the Work commencement date
Normal working hours	6.5	<Monday to Friday> from <08.30 to 17.00>
Health and Safety	6.7	The Project Manager < > Health and Safety Coordinator < >
For non-compliance with the Customer's labour protection requirements and working regulations, labour protection, fire safety, electrical safety, environmental protection and other requirements specified in regulatory enactments, the penalties imposed on the Contractor at the place of performance of the Works	4.1 4.4 4.8 4.18 4.22 6.7	In accordance with the amount set out in Annex "___" to the Contract

⁵ The amount of the contractual penalty shall be determined by the procurement commission.

⁶ In the case if Individual Works or additional works are assigned, the Customer has the right to determine the amount of security from the Accepted amount of the Contract and the total amount of Individual Works and/or additional works, but not less than from the Accepted amount of the Contract, aligning with the seventh paragraph of Sub-Clause 4.2.

Work Performance Delay Penalty	8.1 8.7	<0.1>% of <Contract Price or EUR <_> for each day of delay in the currency in which the Contract Price is payable> or <0.1>% of <Contract price of <...> Stage> in the amount of EUR <_> for each day of delay in the currency in which the Contract price of the Stage is to be paid>
Maximum amount of the Work performance delay penalty	8.7	10% of the Accepted amount of the Contract ⁷
Total advance payment	14.2	in the amount of <10>% of the Accepted amount of the Contract for Design Works (<10%> of the part of the Accepted amount of the Contract for Design Works and <10%> of the part of the Accepted amount of the Contract for Construction Works)
The number and deadlines of payments	14.2	Two payments: (a) for Design Works - after the entry into force of the Contract; (b) for Construction Works - upon receipt of a note from the Building Authority regarding the fulfilment of the design conditions ⁸
Amortisation of the refund of the advance payment	14.2(b)	<20>%
Withholding interest	14.3	<5>%
Limit of the withheld amount	14.3	<10> % of the Contract price ⁹
Equipment and Materials shall be paid for when they are delivered to the place of performance of the Works	14.5(c) (i)	<Pipes, closing fittings and pipe fittings, Reinforced concrete products, Metal structures, Mechanical and electrical machinery and equipment>]
Minimum amount to be included in the interim payment approval act	14.6	Not specified.
Payment for delay	14.8	Compensation for debt recovery costs in the amount of EUR 40 and statutory interest
Payment currencies	14.15	euro (EUR)
Contractual penalty for non-payment to Subcontractors	14.17	in the amount of <0.1>% of the Accepted amount of the Contract or in the amount of EUR <_> for each detected case

⁷ If an agreement on additional/ Individual Works is concluded during the validity period of the Contract, then the maximum amount of the contractual penalty for a delay in performance of the Works is determined from the Contract price, which is the Accepted amount of the Contract and the total amount of additional/Individual works.

⁸ Within the framework of each contract, another condition may be determined, upon the fulfilment of which an advance payment may be received for Construction Works.

⁹ If an agreement on additional/Individual Works is concluded during the validity period of the Contract, then the limit of the Withholding money is determined from the Contract price, which is the total amount of the Accepted amount of the Contract and additional/Individual works.

General Insurance Requirements 18.1 within <14> days from the date of entry into force of the Contract.

[Details on Stages¹⁰

Description (Sub-Clause 1.1.5.6)	Execution Period (Sub-Clause 1.1.3.3) months from the date of commencement of the Works of the Stage	Stage Performance Delay Penalty (Sub-Clause 8.7) % of the Contract price for the Stage for each day of delay
<Short description of Stage Works> (Stage 1)	<...>	<...>
<Short description of Stage Works> (<...> Stage)	<...>	<...>]

Contractor:

<Contractor's name>
<Position, name and surname of the person entitled to sign>

Customer:

<Customer's name>
<Position, name and surname of the person entitled to sign>

(signature*)

(signature*)

*THIS DOCUMENT HAS BEEN SIGNED ELECTRONICALLY WITH A SAFE ELECTRONIC SIGNATURE AND CONTAINS A TIME STAMP.
THE DATE OF SIGNING OF THE DOCUMENT IS THE DATE OF THE TIME STAMP OF THE LAST SIGNATORY.

¹⁰ The table shall be included in the draft Contract attached to the Regulations and in the Contract, if the Works are divided into Stages.

SPECIAL PROVISIONS

In the General Terms and Conditions, the term
'Start date'
shall be replaced with the term
'Work commencement date'

In the General Terms and Conditions, the reference to
Sub-clause 20.6. [Arbitration Court]
shall be replaced with the reference to
Sub-clause 20.6. [Court]

1.1 Definitions

Clause 1.1.1.1 shall be reworded as follows:

“**Contract**” means the Contract Agreement, the Bid Letter, these Terms and Conditions, the Customer's requirements, the Forms, the Contractor's Bid and other documents (if available) referred to in the Contract Agreement.”

The second sentence of Clause 1.1.1.3 shall be reworded as follows:
“Notwithstanding the fact that no Confirmation Letter will be issued under the Contract, the term “**Confirmation Letter**” means the Contract Agreement, and the date of issue or receipt of the Confirmation Letter shall be the date of entry into force of the Contract.”

Clause 1.1.1.4 shall be reworded as follows:

“**Bid Letter**” means a document prepared by the Contractor, which includes an offer addressed to the Customer to perform the Works.”

Clause 1.1.1.5 shall be reworded as follows:

“**Customer Requirements**” mean the document included in the Contract, which determines the requirements of the Customer (including the technical specifications in accordance with the regulatory enactments governing public procurement), as well as all amendments and supplements to this document in accordance with the Contract. This document sets out the purpose, scope and/or design requirements of the Works and/or other technical criteria for the Works.”

Clause 1.1.1.6 shall be reworded as follows:

“**Forms**” mean data sheets, lists, payment schedules and/or price tables included in the Contract, including cost-estimates prepared and submitted by the Contractor together with the Bid Letter in accordance with the templates or samples specified by the Customer.”

Clause 1.1.1.7 shall be reworded as follows:

“**Contractor's Bid**” means the offer submitted by the Contractor together with the Bid Letter and included in the Contract. This offer may also include the Contractor's sketches for the project.”

Clause 1.1.1.10 shall be reworded as follows:

“**Guarantee Schedule**” and **Payment Schedule**” mean the documents contained in the Forms referred to in Clause 9.1 [Obligations of the Contractor] and Clause 14.4 [Payment Schedule], respectively.”

Sub-clause 1.1.2.9 shall be deleted.

Clause 1.1.3.1 shall be reworded as follows:

“**Base date**” means the date which is seven days before the last day for the submission of the Bid.”

[Sub-clause 1.1.3.3 shall be replaced by the following:

“**Performance Time**” means the performance time of the Works or their Stages (depending on the situation) specified in the Annex to the Bid, by which all Works or Stages must be completed, put into operation (if the Works or Stages must be put into operation in accordance with regulatory enactments) and handed over to the Customer. The Performance Time may only be amended on the basis of written agreement between the Parties (i.e., even if the Engineer approves any claim of the Contractor regarding extension of the Performance Time, such extension shall be recorded in the form of a written agreement in order to be in force).

Sub-clause 1.1.3.7 shall be replaced by the following:

“**Defect Notification Period**” means the notification period of the detection of defects during the Works or their Stages (depending on the situation) defined in accordance with Sub-clause 11.1 [*Completion of Outstanding Work and Prevention of Defects*] indicated in the Annex to the Bid (including any extension in accordance with Sub-clause 11.3 [*Defect Notification Period Extension*]) and calculated on the basis of the date on which the Works or their Stage have been completed in accordance with Sub-clause 10.1 [*Acceptance – Transfer of Works and their Stages*], which is not shorter than the minimum construction guarantee period specified in the Special Construction Regulations.

Sub-clause 1.1.4.1 “**Accepted Amount of the Contract**” shall be supplemented with two new paragraphs in the following wording:

“If during the performance of the Works, the Parties agree in writing on the need to perform Individual Works and/or additional works, then the amounts of the Individual Works and additional works shall not be included in the Accepted Amount of the Contract.”

“The Accepted Amount of the Contract cannot be increased during the Contract period due to price increases for labour force and/or costs of materials, that will become effective during the validity period of the Contract or that have entered into force before the Contract enters into force, and any other circumstances that may affect the Accepted Amount of the Contract, except the provisions of Sub-clause 13.7 [*Adjustments Due to Changes in Regulatory Enactments*].”

[To formulate Sub-clause 1.1.4.2 in the new wording:

“**Contract Price**” means the price referred to in Sub-clause 14.1 [*Contract Price*] and the Price of Individual Works, if they are ordered in accordance with the procedure specified in the Contract, including adjustments made in accordance with the Contract.]¹¹

Clause 1.1.4.3 shall be reworded as follows:

“**Costs**” mean all reasonable expenses incurred by the Contractor at or outside the place of performance of the Works, including overheads (within the meaning of the Procedure for Determining Construction Costs set by the Latvian Construction Standard LBN 501-17), but excluding profit.

The General Terms and Conditions shall be supplemented with Clause 1.1.4.13 as follows:

“**Reasonable profit**” means the amount of profit determined by the Engineer, which is calculated from direct costs (within the meaning of the Procedure for Determining Construction Costs set by the Latvian Construction Standard LBN 501-17), observing the specific type of Works and not exceeding the volume of one twentieth (5%).

The General Terms and Conditions shall be supplemented with Clause 1.1.4.14 as follows:

¹¹ The wording of the Clause, if the Individual Works are planned.

“**Overheads**” means, for the purpose of the Latvian construction standard LBN 501-17 “Procedure for determination of construction costs”, the amount of overheads specified in the Contractor's Bid. Overheads for additional works, if any, shall not exceed the percentage of overheads included in the Contractor's Bid.”

To supplement Sub-clause 1.1.58 “**Works**” with a new paragraph in the following wording:

“Works shall also include the works which are not directly mentioned in the Contract, but which are objectively necessary and reasonably expected from the Contractor as an experienced professional in order to achieve the objective of the Contract.”

[If the Contract provides for Individual Works, add a new paragraph to Sub-paragraph 1.1.5.8 “Works” in the following wording:

“If during the performance of the Works, the Parties agree in writing on the necessity to perform the Individual Works, all the works assigned to the Contractor within the framework of the Contract shall be considered as the Works within the meaning of the Contract.”¹²

[If the Contract provides for Individual Works, the General Provisions shall be supplemented with Sub-clause 1.1.5.9 in the following wording: ““**Individual Works**”- the part of the Permanent Works indicated in the Technical Drawings and Cost Estimate in the item Individual Works, i.e., and the full or partial performance of which is separately agreed upon by the Parties during the performance of the Contract.

“Price for Individual Works cannot be increased during the Contract period due to price increases for labour force and/or costs of materials, that will become effective during the validity period of the Contract or that have entered into force before the Contract enters into force, and any other circumstances that may affect the Price of Individual Works, except the provisions of Sub-clause 13.7 [*Adjustments Due to Changes in Regulatory Enactments*].”¹³

[If the Contract provides for a Technological Interruption, to supplement the General Terms and Conditions with Sub-clause 1.1.5.10 as follows: “**Technological Interruption**” means the interruption of a part or all of the determined Permanent Works, which is determined if due to technological metrological/climatic conditions (lowest/average daily temperature, wind speed, precipitation, etc.) or other reasons, being beyond the Contractor's control, it is not possible to perform a part or all of the Works. Detailed conditions are included in the Technical Specification.]¹⁴

to supplement Sub-clause 1.1.6.1 “**Contractor's Documents**” with a new paragraph in the following wording:

“Within the framework of the Contract, the Contractor's Documents shall mean also “Technical Drawings”, which mean building design, confirmation card, explanatory note or any other documentation necessary for the implementation of the building concept provided for in regulatory enactments, other technical drawings of Works included in the Contract and any technical drawings supplemented and

¹² Insert a new paragraph if the Contract provides for Individual Works.

¹³ Insert a sub-clause if the Contract provides for Individual Works.

¹⁴ A new sub-clause shall be inserted if the Contract provides to perform the works, such as roof and facade works, within the framework of which it may be necessary to provide for a Technological Interruption. The Technical Specification shall indicate the conditions under which the Technological Interruption may be applied (for example, if the daily average temperature is lower than the specified amount and if, according to the Work Schedule, it is planned to perform the works during this period, the high quality performance of which is not technologically possible in the specific metrological weather conditions)

	redesigned in accordance with the Contract, prepared by the Contractor.””
	[If the Contract provides for a Technological Interruption, to supplement the General Terms and Conditions with Sub-clause 1.1.5.10 as follows: “Technological Interruption” means the interruption of a part or all of the determined Permanent Works, which is determined if, due to technological metrological conditions, it is not possible to perform a part or all of the Works within the framework of the Works.] ¹⁵
	to supplement Sub-clause 1.1.6.5 “Applicable Law” with a new paragraph in the following wording: “For the purpose of clarity, the above-mentioned shall also include all municipal regulations, issued technical regulations, and all applicable Latvian and European Union construction standards. In the case of a discrepancy between the Latvian and European Union construction standards, the Latvian standards shall prevail.”
	to supplement Sub-clause 1.1.6.7 “Place of Performance of Works” with a sentence in the following wording: “For the purpose of clarity - the term “Work Performance Place” shall also mean the construction site and the term “Object”
	The General Terms and Conditions shall be supplemented with Clause 1.1.6.10 as follows: “Additional works not provided for in the Contract” are additional works that: (a) were not originally included in the Contract or the requirements of the Contractor, but are required for reasons which could not have been foreseen in advance; (b) were not initially included in the Contract or the Customer’s requirements and a substitution of the supplier for performing such additional works would result in a significant increase in costs and could not be performed for economic or technical reasons such as substitutability or compatibility with equipment, services or facilities already acquired in the original procurement, or a substitution of the supplier would cause significant difficulties.”
	The General Terms and Conditions shall be supplemented with Sub-clause 1.1.6.11 as follows: “Object” shall mean immovable property with an address: _____ (address), including during the process of its reconstruction.” ¹⁶
1.2 Interpretation	Sub-Clause shall be supplemented with a new paragraph as follows: “Neither of the documents of the Contract may be considered separately from each other and the purpose of the Contract and its joint context. If the provisions of any document of the Contract conflict with the provisions of other document of the Contract, the Contractor shall immediately inform the Customer thereof, and when assessing the context of these documents, the Customer shall determine the applicable provisions of the document.”
1.5 Document Priority Sequence	To express the first paragraph of the Subparagraph in the following wording: “The documents included in the Contract are complementary. For the purposes of interpretation, documents shall be ranked in the following order: (a) The Contract Agreement; (b) Bid Letter and Annex to the Bid;

¹⁵ A new Sub-clause shall be inserted if the Contract provides to perform the works, such as roof and facade works, within the framework of which it may be necessary to provide for a Technological Interruption. The Technical Specification shall indicate the conditions under which the Technological Interruption may be applied (for example, if the daily average temperature is lower than the specified amount and if, according to the Work Schedule, it is planned to perform the works during this period, the high quality performance of which is not technologically possible in the specific metrological weather conditions).

¹⁶ All structures included in the real estate must be listed with the Object, incl. engineering structures where the Works will be performed within the framework of the Works.

	<p>(c) Additional information provided during the procurement procedure, minutes of the meeting of interested suppliers, and other annexes;*</p> <p>(d) Special Provisions of the Contract and Annexes to the Special Provisions:</p> <ul style="list-style-type: none"> – Contract Performance Security; – Advance Payment Guarantee; – Retention Amount Guarantee; – “SJSC <i>Valsts nekustamie īpašumi</i> Labour Protection Requirements for Contractors When Performing Construction Works” and “Contractual Penalty Determined by <i>Valsts nekustamie īpašumi</i> for Failure to Comply with Labour Protection Requirements and Procedure for Construction Works, Labour Protection, Fire Safety, Electric Safety, Environment Protection and Other Requirements Determined by Regulatory Enactments at the Place of Performance of Construction Works”; – Procedures of Acceptance and Delivery of the Place of Performance of Works; – Work Change Report; – Material/product approval form; – confirmation of the transfer of the author's property rights. <p>(e) Contract General Provisions;</p> <p>(f) Customer requirements and procurement procedure documents that determine the qualification requirements for candidates and tenderers;</p> <p>(g) Forms, including Financial Offer and Cost Estimate, as well as time schedule, if any is provided;</p> <p>(h) Contractor's Bid, including the Technical Offer, information on the Contractor's staff and Subcontractors;</p> <p>(i) other procurement procedure documents.</p> <p>* The documents referred to in Article (c) shall only have priority in respect of the document which they explain.</p>
1.6 Contract Agreement	To express the Subparagraph in the following wording: “Contract Agreement” shall mean the Contract agreement signed by both Parties and the signing of which means that the Contract has come into legal force.
1.8 Document Manager and Submission	To express the second sentence of the first paragraph of this Subparagraph in the following wording: “Unless otherwise specified in the Contract, the Contractor shall submit the documents to the Engineer in electronic form signed with a secure electronic signature.”
1.9 Errors in the Customer's requirements	To express the first paragraph of the Subparagraph in the following wording: “If the Contractor has a delay in Work Performance and/or incurs Costs as a result of an error in the Customer's claims, and if an experienced Contractor could not disclose this error after due diligence during the procurement procedure of Works, the Contractor shall submit a notification to the Engineer and in accordance with Sub-claim 20.1 <i>[Claims of the Contractor]</i> shall be entitled to claim:
1.10 Use of the Contractor's documents for the Customer's needs	To express the Subparagraph in the following wording: “ Property rights: The Parties agree that after the Customer has made the first payment, which is not an advance payment, the Customer shall acquire all existing and future property rights of the Contractor as an author referred to in Section 15 of the Copyright Law with regard to the Copyright objects created in accordance with the Contract (all documents prepared as a result of Works and author's works arising from them). The above-mentioned rights shall be deemed as transferred as of the moment when the Contractor has received the

relevant payment from the Customer, without signing any separate report between the Parties, and the Customer shall be entitled to alienate these rights to other persons. The Parties agree that payment of the Customer to the Contractor in accordance with the Contract shall also include the author's fee and the Contractor shall not be entitled to claim for an additional author's fee/royalty.

Personal rights:

The Contractor guarantees that the author's personal right specified in Section 14, Paragraph one of the Copyright Law to decide whether the work will be announced and when it will be announced (Section 14, Paragraph one, Clause 2), to withdraw the work (Section 14, Paragraph one, Clause 3), the inviolability of work (Section 14, Paragraph one, Clause 5) and counteraction (Section 14, Paragraph one, Clause 6) shall not be exercised.

With regard to the above-mentioned, the Contractor hereby confirms and guarantees to the Customer that:

- (a) the Customer will acquire the property rights free from claims of third parties (including, the Contractor confirms that the Contractor and its Subcontractors have not violated the requirements of regulatory enactments governing copyrights and intellectual property rights during the fulfilment of the Contract, including have not violated copyrights and intellectual property rights of another person, as well as use of unlawfully acquired objects of copyrights and intellectual property rights);
- (b) all natural persons, who have been involved in the performance of Works, have provided confirmations regarding the transfer and use of their personal rights: authors shall not request their names to be specified in the object of Copyrights, besides authors shall permit the making of any modifications, amendments or supplements to the Object of Copyright and documentation thereof at the free discretion of the Customer or third party;
- (c) The approval made by natural persons in the construction information system for the Technical Drawings developed within the framework of the Works is considered as confirmation of the transfer of the author's property rights to the Customer. The Contractor shall be obliged to explain this to the involved specialists and the Contractor shall assume responsibility for this. If necessary, in the case of replacement of the Contractor's specialists or in other cases at the request of the Customer, the Contractor shall provide written confirmation to the Customer of the transfer of the author's property rights to the persons involved in the development of the Object of Copyright;
- (d) shall ensure the receipt of all permits and rights necessary for the transfer of the Objects of Copyright to the Customer from other persons involved in the development of the Objects of Copyright;
- (e) undertakes not to transfer to third parties, without the written consent of the Customer, and not to use the copyright objects created within the framework of the Contract (documents prepared as a result of Works and copyright arising from them) for the benefit of third parties;
- (f) The Customer shall acquire all rights to detail, change, modify, amend and supplement the Objects of Copyright or any parts thereof, use them for creation of new works and adapt them to their needs, and such activities do not require the separate consent of the Contractor.

Taking the above-mentioned into account, any further modifications of the Object, renewals, re-building, alterations, extensions or any other

changes that the Customer or a third party will make at the Object, shall not constitute a violation of intellectual property rights of the Contractor and authors attracted by it. Therefore, the Contractor shall refuse counter-activities and all its future claims or complaints in relation to the above-mentioned.

In cases of infringement of intellectual property rights of third parties caused due to the fault of the Contractor, the Contractor shall have a duty:

- (a) to immediately eliminate any breach of the rights of third parties free of charge;
- (b) pursuant to the request of the Customer, at its own expense, to defend the Customer, if third parties have brought any claims regarding the infringement of intellectual property rights;
- (c) bear the expenses and damages incurred by the Customer due to the violation of intellectual property rights of third parties or third-party claims for the breach of intellectual property rights.

In the case if a contractual penalty, costs and/or losses have been deducted from the compensation to be paid to the Contractor, in accordance with the terms and conditions of the Contract (if the Customer has performed deduction of the contractual penalty, costs and/or losses from the compensation to be paid to the Contractor), the above-mentioned rights shall be considered as transferred as of the moment when the Contractor has received the payment of the relevant payment in the amount, corresponding to the compensation, from which the calculated contractual penalty, costs and/or losses have been deducted.

Provisions of this sub-clause shall not be limited in time and the term of validity of the Contract shall not apply to it.”

1.12 Confidential Information.

To supplement the Sub-clause with six new paragraphs as follows:

“The Contractor shall undertake to comply with confidentiality, including:

- (a) to ensure non-disclosure of the information specified in the Contract, incl. by third parties, including from the part of Subcontractors, participating in or involved in the performance of the Contract;
- (b) to protect, not to distribute and not to disclose to third parties in full or partially, without the prior written permission of the other Customer, the content of this Contract or other documents related to it, as well as any technical, commercial and any other information about the activity of the other Customer, that has become available during the fulfilment of the Contract;
- (c) The Contractor shall not, without the written consent of the Customer (request shall be sent to the e-mail komunikacija@vni.lv), disclose or otherwise communicate any information to third parties, including the media, or express an opinion regarding the progress of the Contract, the construction plan of the Object, or the Object. The Contractor shall ensure that its Subcontractors and employees of the Contractor comply with this provision.

The Customer shall undertake to observe confidentiality and not disclose to third parties in full or in part, without receiving written permission from the Contractor, the Contract or other documents related to the fulfilment thereof, which the Contractor has determined as a trade secret before the conclusion of the Contract, and informing the Customer accordingly before concluding the Contract. In any case, the Contractor may not

determine the subject of the Contract and the result of its performance as a trade secret.

Restrictions on confidentiality do not apply to information that is publicly and generally available, or to information that is intended to be disclosed to third parties under the terms of the Contract or that is classified as generally available information under regulatory enactments.

The confidentiality rules do not apply in cases where information is requested by state or municipal authorities and for which such rights are provided by the laws and regulations of the Republic of Latvia.

Provisions of this sub-chapter of the Contract shall not be limited in time, and the term of validity of the Contract shall not apply to them.

If the Contractor fails to comply with the obligations and/or prohibitions specified in this sub-clause, the Customer is entitled to demand a contractual penalty from the Contractor in the amount specified in the Annex to the Bid for each identified case.”

1.14 Several Liability Sub-Clause (a) shall be replaced by the following:

“(a) These persons shall be considered to be responsible to the Customer for the performance of the Contract in accordance with the requirements determined in the Procurement Procedure documents and the Contractor’s bid;”

1.15 Financing of foreign financial instruments

To supplement with Sub-Clause 1.15 “Financing of **Foreign Financial Instruments**” in the following wording:

“This sub-clause is applicable in the case of a contract financed by foreign financial instruments, if a notice has been made on such in the Annex to the Bid.

The Contractor is aware that the Works or part thereof will be performed with the co-financing of the European Regional Development Fund Operational Programme “_____” and undertakes to cover all losses and/or costs that may occur if due failure of the Contractor to comply with the terms and conditions of the Contract and/or due to delays a financial adjustment is applied and/or costs are declared ineligible or funding is not granted. The Contractor undertakes to cover the losses and/or costs referred to in this Clause upon the receipt of the first written request of the Customer.

In order to prevent the risk of costs for improperly performed works, the Customer shall suspend fulfilment of the Contract for a period not exceeding 3 (three) months, and only if the Customer is not thus adversely affected:

- (a) if the Cabinet of Ministers has proposed a review of the priorities and activities of the relevant foreign financial instrument planning period or an institution involved in the management of the foreign financial instrument has decided not to grant the funding of the foreign financial instrument, and the funding of the foreign financial instrument may be reduced for the customer in relation to that or the funding of the foreign financial that the customer has intended to use for covering of the payment obligations provided for in the contract may be withdrawn;
- b) in accordance with the decision of the authority involved in the management of the foreign financial instrument or Cabinet of Ministers.

The Customer has the right to unilaterally withdraw from the Contract if:

- (a) the authority involved in the management of the foreign financial instrument has determined the adjustment of expenses of the

project funded by the foreign financial instrument, and the above-mentioned adjustment arises from the infringement of the Contract committed by the Contractor;

- (b) the authority involved in the management of the foreign financial instrument has established violations of regulatory enactments during the course of conclusion or fulfilment of the Contract, and adjustment of expenses of the Contract in the amount of 100% is applied due to this.

The Customer has the right to terminate the Contract if the Cabinet of Ministers has adopted a decision regarding a review of priorities of the relevant structural fund planning period or the institution involved in the management of the foreign financial instrument has decided not to grant the funding of the foreign financial instrument and therefore the funding of the foreign financial instrument that the customer planned to use for covering of the payment obligations provided for in the Contract is significantly reduced or cancelled for the customer.”

2.1 Right of Access to the Work Performance Place

To express the first and second paragraph of the Sub-Clause in the following wording:

“By the acceptance-transfer deed, the Customer shall transfer the Work Performance Place (Object) to the Contractor for the performance of construction works. At all times while the Object is being transferred to the Contractor, the Contractor shall assume full material responsibility for it. However, the Customer may not transfer the Work Performance Place and deny access to the Work Performance Place for the performance of construction works until approval have been received by the Construction Board for the commencement of construction works, and until the Customer has coordinated the work performance project and work protection plan. The Contractor is obliged to ensure that before commencement of construction works the Construction Board's approval for the commencement of construction works has been received, the work performance project and work protection plan have been agreed with the Customer, and the Transfer-Acceptance Deed of the Work Performance Place is submitted to the Customer for signing. The Customer shall sign and submit the Contractor the Transfer-Acceptance Deed of the Work Performance Place no later than within 7 (seven) days from the day when the Contractor has submitted it to the Customer.”

2.2 Permits, licences or approvals

To supplement the Sub-clause with two new paragraphs as follows:
“The Contractor shall be responsible for obtaining all permits and approvals required for the performance of the Works from any institution and person, even if the regulatory enactments provide for it as the Customer's obligation, as well as for accepting the Object into operation after the completion of all Works, including the performance of all necessary activities in order to ensure the above-mentioned acceptance into operation (incl., ordering of the cadastral survey of the Object, receipt of opinions from the issuers of technical regulations, receipt of the consent of the neighbours, etc.).
For the sake of clarity - the Contractor shall be entitled to perform all the activities provided for in the Contract on the basis of the Contract, i.e., the Contract includes the necessary authorisation. However, if an institution or a person requires separate authorisation to perform the activities provided for in the Contract, the Customer shall undertake to issue such authorisation within 5 (five) working days from the day of receipt of the relevant notice from the Contractor. Such notification of the Contractor, in order for the above-mentioned time-limit to be binding for the Customer, shall contain a draft power of attorney to be issued, the content of which may not exceed the scope of activities specified in the Contract.”

2.4 Customer's Financial Agreement	Sub-clause shall be deleted
2.5 Requirements of the Customer	<p>To delete the second sentence of the third paragraph of the Sub-Clause</p> <p>To express the last paragraph of the Sub-Clause in the following words: "This amount may be presented as a deduction from the Contract Price and Payment Confirmations or Final Payment Confirmation, as well as the Customer may make deductions or withdrawals from the sum specified in the Payment Confirmation or Final Payment Confirmation or at its discretion it may be recovered by using any of the securities of the Contract (Obligation Performance Guarantee, withholding money, Advance Payment Guarantee) or otherwise claim for compensation from the Contractor in accordance with this Sub-Clause."</p>
3.1 Duties and Rights of the Engineer	<p>To express the first sentence of the first paragraph of this Sub-Clause in the following wording: "The Customer shall appoint an Engineer who will perform the duties provided for him in the Contract and perform construction supervision of the Works in accordance with the requirements of the Applicable Law.</p> <p>To add the sixth and seventh paragraph to the Sub-Clause as follows: "In the following cases, the Engineer must obtain the prior written permission of the Customer:</p> <ul style="list-style-type: none"> (a) by delegating its powers (Sub-clause 3.2), (b) when agreeing to the replacement of the Contractor's staff (Clause 6.9), (c) by issuing instructions for the transfer of subcontracting obligations (Sub-clause 4.5), (d) by extending the Execution Period (Sub-clause 8.4), (e) by issuing instructions for making changes or requiring the Contractor to submit its tender, or approving the Contractor's proposal (Sub-clauses 13.1, 13.2, 13.3 and 13.9), (f) when giving instructions to the Contractor to suspend the Works (Clause 8.8), unless the Engineer suspends the Works on the basis of the Applicable Construction Supervision Act; <p>The Engineer has the right to inspect the Work Performance Place, to establish, as well as to record in a deed or any other document whether the Contractor complies with the requirements determined in this Contract, including in the Annex to the Contract "██████" "Labour Protection Requirements of SJSC <i>Valsts nekustamie īpašumi</i> for Entrepreneurs Performing Construction Works" and/or requirements for Contractor determined by regulatory enactments, incl. construction work procedures, labour protection rules, fire safety, electrical safety, environmental protection and other requirements. The engineer has the right to establish violations of the requirements determined in "Labour Protection Requirements of SJSC <i>Valsts nekustamie īpašumi</i> for Entrepreneurs Performing Construction Works", as well as regulatory enactments, incl. violations of construction work procedures, labour protection, fire safety, electrical safety, environmental protection and other requirements. The fact established by the Engineer - a violation recorded in a deed or other document shall serve as the basis for imposing a contractual penalty on the Contractor, in accordance with the procedure and in the amount determined in the Annex to the Contract "Contractual Penalty Determined for Failure to Comply with the Labour Protection Requirements of SJSC <i>Valsts nekustamie īpašumi</i> and Regulatory Enactments on Construction Works Procedure, Labour Protection, Fire Safety, Electrical Safety, Environment Protection and Other</p>

	Requirements at the Work Performance Place". The Contractor shall pay the applied contractual penalty to the Customer."
3.5 Decisions	To express the first sentence of the first paragraph of this Sub-Clause in the following wording: "Whenever these Regulations specify that the Engineer shall act in accordance with Clause 3.5 to agree or decide on an issue and that issue is not related to amendments to the Contract, the Engineer shall consult with each Party in an attempt to reach an agreement. The Parties shall reach an agreement in writing regarding additional works, changes in the volume of Works, replacement of Materials or Equipment in order for them to be binding on the Parties, following the procedure specified in Sub-clause 13.9 [<i>Procedure for Change of Works and Replacement of Equipment and/or Materials</i>]."
3.6 Management Meetings	Sub-clause 3.6 " Management Meetings " shall be supplemented as follows: "The Engineer may request that the Contractor's representative attend regular or extraordinary meetings to consider matters relating to the performance of the Contract. The Engineer shall take minutes of the meeting. The Engineer shall issue the minutes of the meeting to its participants and to the Customer. / [The Contractor shall be obliged to organise, record and participate in joint meetings (construction meetings) of the Contractor and the Customer at least ____ (____) per week/month, where the organisational issues of the Works shall be discussed. The minutes of the meeting shall be submitted by the Contractor to the participants of the meeting within ____ (____) working days.] ¹⁷ "
3.7 Customer as an Engineer	To supplement with Sub-Clause 3.7 " Customer as Engineer " in the following wording: "The Customer has the right to take over or fulfil the authorities of the Engineer at any time at its own discretion. In the case that the Engineer and the Customer have issued inconsistent instructions or orders regarding one and the same issue, the orders/instructions of the Customer shall prevail."
4.1 General Obligations of the Contractor	To express the first sentence of the first paragraph of this Subparagraph in the following wording: "The Contractor shall design, perform and complete the Works in accordance with the Contract, including construction design supervision, and shall eliminate any defects in the Works. The Contractor shall only be entitled to perform the Construction Works after all the project documentation has been developed for the specific Construction Works." To add ¹⁸ eight new paragraphs to the Sub-Clause as follows: "The Contractor shall have an obligation to ensure that throughout the whole validity period of the Contract the Contractor and its Subcontractors comply with all requirements set forth in regulatory enactments, the Procurement Documentation of Works or the Contract and necessary for the performance of the Works specified in the Contract (including, but not limited to, in relation to registration of the Contractor, its Subcontractor and other merchants or specialists involved in the performance of the Works in the Register of Construction Merchants in the areas and spheres necessary for the fulfilment of the Contract, their compliance with the qualification requirements specified in the Procurement of Works). In the case if the Contractor is a general partnership, the provisions of this Clause shall apply both to the Contractor and to all members of the Contractor."

¹⁷ Conditions of the Contract, if the organisation, management and recording of meetings is entrusted to the Contractor.

¹⁸ If the Individual Works and/or the performance of expert-examination are agreed within the framework of the Contract, then the number of new paragraphs should be specified.

For the purpose of clarity - the performance of author's supervision shall not have any negative impact on the terms of performance of the Works specified in the Contract, including the Performance time and interim terms.

Pursuant to the request of the Engineer, the Contractor shall be obliged to submit a more precise and more detailed Contract Price. Such details shall include local estimates. As soon as the design works are fully completed and the Contractor has developed and the Engineer has approved the Work Performance Project, the Contractor shall provide the Engineer with an accurate and detailed Contract Price in accordance with the level of detail specified by the Engineer. The adjustment of local estimates may not have any effect on the Accepted Contract Price. Such details shall be applied, when determining the volumes of the performed Works, and as far as possible, when determining the value of Works not planned in the Contract (unless the Parties agree on the performance of such in cases permitted by the Contract and regulatory enactments) in accordance with the procedure determined in Clause 13 [*Changes and Corrections*]. The necessary level of detail of the Contract Price shall be determined by the Engineer; the details of the submitted Contract Price shall be approved by the Engineer, in accordance with the procedure for the approval of documents of the Contractor determined in the Contract.

Upon signing the Contract, the Contractor confirms that during the procurement procedure it has duly inspected the Object and confirms that it shall not delay the Contractor to perform the Works within the framework of the term and Accepted Contract Price determined at the time of signing of the Contract.

If the Customer unilaterally withdraws or terminates the Contract in accordance with Sub-Clause 15.2 [*Termination of the Contract by the Customer*], the Contractor shall undertake not to raise a claim to the court regarding fulfilment of the Contract. In the case of unilateral termination or cancellation of the Contract, the Customer shall act in accordance with the procedure determined in Clause 15 [*Termination of the Contract by the Customer*].

The Contractor shall be obliged to comply with the requirements determined in the Contract, including Annex to the Contract " " "Labour Protection Requirements of SJSC *Valsts nekustamie īpašumi* for Contractors when Performing Construction Works" and obligations determined for the Contractor by regulatory enactments for compliance with the rules for construction works, labour protection, fire safety, electrical safety, environment protection and other requirements at the Work Performance Place. In the case of violations of the requirements determined in Annex to the Contract " " "SJSC *Valsts nekustamie īpašumi* Labour Protection Requirements for Contractors When Performing Construction Works" and "Contractual Penalty Determined by *Valsts nekustamie īpašumi* for Failure to Comply with Labour Protection Requirements and Procedure for Construction Works, Labour Protection, Fire Safety, Electric Safety, Environment Protection and Other Requirements Determined by Regulatory Enactments at the Place of Performance of Construction Works", the Contractor shall pay the Customer the contractual penalty in the amount determined in the Annex.

The Contractor shall be obliged to pay the Subcontractor for the services, deliveries or construction works provided by it and accepted by the Contractor. Making of a direct payment to the Subcontractor shall not

exempt the Contractor from the fulfilment of obligations determined in the Contract in the volume, within the time period and in the quality agreed in the Contract for the fulfilment of the set liabilities. Pursuant to the request of the Customer, the Contractor shall provide an opinion within a time period of 14 days regarding the validity of the request of the direct payment made by the Subcontractor.”

[Sub-Clause shall be supplemented with the following new paragraph as follows:

“The Contractor shall have an obligation to sign and submit the Customer the agreement regarding the commencement of performance of Individual Works no later than within ___ (___) working days from the receipt of the agreement regarding commencement of the performance of Individual Works from the Customer. Individual Works shall be commenced no later than within ___ (___) working days from the day of the additional agreement on the relevant Individual Works coming into force. The Customer shall be entitled, without compensation to the Contractor for any losses and expenses in relation to failure to order Individual Works to the Contractor, not to enter into the agreement regarding commencement of the performance of the relevant (all or any part thereof) Individual Works”]¹⁹

[Sub-Clause shall be supplemented with the following new paragraph as follows:

“If as a result of the expert-examination of the construction concept documentation the Customer receives a negative opinion on the building design developed by the Contractor, the Contractor shall be obliged to eliminate the deficiencies indicated in the expert opinion at its own expense and cover the Customer's expenses related to re-examination. This obligation shall be in force until the receipt of a positive expert-examination opinion.”]²⁰

**4.2
Contract Fulfilment
Security**

To express the second paragraph of the Subparagraph in the following wording:

“The Contractor shall submit the Contract Performance Security to the Customer within <14> days from the date of entry into force of the Contract Agreement, as well as send a copy to the Engineer. The Contract Performance Security shall be issued by a credit institution/branch of a credit institution/branch of a foreign credit institution or insurance company/foreign insurance branch, registered in the Republic of Latvia or any other Member State of the European Union or European Economic Area, which has commenced the provision of services in the territory of the Republic of Latvia, in accordance with the procedure prescribed by legal acts of the Republic of Latvia, and it shall correspond with the relevant (credit institution or insurance company) form attached to the Special Terms and Conditions, and it shall be in force until the issue of the approval of the performance of the Contract, including in the validity period <70> days after the expected end date of the Defect notification period. Contract Performance Security shall be an irrevocable, unconditional first demand guarantee. If an insurance company guarantee is provided as an annex to the policy, the policy must state that the conditions contained in this guarantee take precedence over any insurance terms. Prior to issuing the Contract Performance Security, the Contractor shall coordinate its draft with the Engineer and the Customer. After the issuance of the Works Transfer-Acceptance Confirmation, the amount of the Contract Performance

¹⁹ New paragraph shall be included, when Individual Works are provided for in the Contract.

²⁰ A new paragraph shall be included, if the building design needs expert-examination, in accordance with regulatory enactments.

Security may be reduced by <50>²¹% (<fifty> percent), immediately informing the Customer thereof.”

To add a new sentence to the third paragraph of the Sub-Clause as follows:

“If the Contractor does not extend the Contract Performance Security no later than 21 (twenty-one) days before its expiry date, the Customer has the right to collect the full amount of the Contract Performance Security as security for the performance of all obligations of the Contractor arising from the Contract and regulatory enactments. The Customer shall refund the collected and unused amount to the Contractor within 28 (twenty eight) days from the moment when the Customer has received a new Contract Performance Security in accordance with the provisions of the Contract and the relevant invoice of the Contractor.”

To substitute the fourth paragraph of the Sub-Clause with sub-clauses thereof and the fifth paragraph with a new fourth paragraph as follows:

“The Customer has the right to use the Contract Performance Security to cover any claims of the Customer arising from the Contract or regulatory enactments.”

[To supplement Sub-Clause with a new paragraph as follows:

“If the Customer instructs the Contractor to perform the Individual Works, then the Contractor shall submit to the Customer, no later than __ (__) working days after the entry into force of the respective agreement on the performance of the Individual Works, the Contract Performance Security corresponding with the requirements determined in this Clause in the amount determined in Annex to the Bid from the total sum of the Accepted Contract Price and Individual Work Price.”²²

**4.4
Subcontractors and
Specialists**

To formulate the name of the Sub-Clause as follows: “**Subcontractors and Specialists**” and the Sub-Clause in the following wording:

“The Contract shall be enclosed with a list of Subcontractors involved in the fulfilment of the Contract and a list of specialists, indicating the name, surname, title of the specialist for fulfilment of the Contract, certificate name/name of the education document, certificate number/number of the education document.

The Contractor shall have an obligation to immediately inform the Customer of any changes to the list of Subcontractors and information specified on the list of specialists. In such case the Contractor shall submit the Customer an updated list of Subcontractors and/or specialists, as well as the documents confirming the qualification of the specialists and Subcontractors specified in the regulation of the procurement procedure (if any qualification requirements have been proposed in the regulation with regard to the particular Subcontractor or specialist).

Without alignment with the Customer, the Contractor shall not be entitled to perform the replacement of Subcontractors specified on the list of specialists and Subcontractors and/or involved additional Subcontractors and/or specialists in the fulfilment of the Contract. The Customer shall be entitled, before making a decision on the replacement of the specialists specified on the list of specialists and/or Subcontractors specified on the list of Subcontractors, to claim the opinion of the

²¹ Specify the Contract Performance Security template accordingly (Annex to the Special Terms and Conditions).

²² It shall be included in the Contract, if Individual Works are planned and it is decided that, when entering into the agreement on Individual Works, the Performance Security of obligations shall be increased.

specialists and/or Subcontractors to be replaced on the reasons for replacement.

The Contractor shall be responsible for action or failure to fulfil obligations by any Subcontractor and/or specialist, their representatives and employees, as if it had been the action or failure to fulfil obligations made by the Contractor itself. Unless otherwise provided in the Special Terms and Conditions:

- a) the replacement of the Subcontractors specified in the Bid and the involvement of new Subcontractors shall require the written consent of the Customer. The Customer shall make a decision to allow or refuse the replacement of Subcontractors or the involvement of new Subcontractors no later than within 7 (seven) working days after receiving the entire information and documents necessary for making the decision in accordance with the provisions of the Contract and public procurement regulations. The Customer shall notify the Contractor in writing regarding the decision made;
- b) the Contractor shall submit a notification to the Customer at least 28 (twenty-eight) days before the planned start date of work of each Subcontractor and/or specialist and start date of such works at the Work Performance Place; and
- c) each subcontract shall include provisions, giving the right to the Customer to request that the subcontract would be delivered to the Customer in accordance with the sub-clause (Transfer of Subcontracting Obligations) (if and when applicable) or in case of termination of the Contract, in accordance with Sub-Clause 15.2 [*Termination of the Contract by the Customer*].

The Customer does not agree to the replacement of the personnel indicated on the list of specialists and/or Subcontractors indicated on the list of Subcontractors in the cases specified in this clause and in cases when the personnel and/or Subcontractors proposed to replace the personnel and/or proposed Subcontractors do not meet the requirements proposed for specialists involved by the Contractor in the procurement documentation or it does not have at least the same qualifications and experience as the personnel and/or Subcontractors assessed in determining the most economically advantageous bid.

The Customer does not agree to the replacement of the Subcontractors indicated on the list of Subcontractors, if any of the following conditions exists:

- a) the proposed Subcontractor does not comply with the requirements set for Subcontractors in the procurement documentation and or in the technical specification;
- b) a Subcontractor, on the possibilities of whom the Contractor has relied to certify the compliance of its qualifications to the requirements specified in the procurement procedure documents, has changed, and the proposed Subcontractor does not have at least the same qualifications that the Contractor referred to when certifying its compliance with the requirements set forth in the procurement procedure, or it meets the conditions for the exclusion of candidates specified in Section 42, Paragraph one, or it complies with the cases of exclusion of candidates referred to in Section 42, Paragraph two, Clause 1 of the Public Procurement Law;
- c) the proposed Subcontractor, the value of the works to be performed by which or the Works to be provided is at least 10% of the total value of the Contract (the value of the works to be

performed by the Subcontractor or the value of Works to be provided is determined in accordance with the procedure set forth in Section 63, Paragraph three of the Public Procurement Law) corresponds with the cases of exclusion of candidates referred to in Section 42, Paragraph one of the Public Procurement Law or it corresponds with the cases of exclusion of candidates referred to in Section 42, Paragraph two, Clause 1 of the Public Procurement Law, except the provision for exclusion referred to in Section 42, Paragraph one, Clause 1 of the Public Procurement Law;

- d) a change of Subcontractor would lead to such amendments in the Contractor's offer which, if initially included therein, would affect the selection of the offer in accordance with the offer evaluation criteria specified in the procurement procedure documentation;
- e) the Customer shall not agree to the involvement of a new Subcontractor in the event where such changes, if made in the initial offer, would have affected the selection of the offer in accordance with the offer evaluation criteria specified in the procurement procedure documentation.

When verifying the conformity of the new Subcontractor, the Customer shall apply the provisions of Section 42 of the Public Procurement Law and the time limits specified in Paragraph three of the same Section of the Public Procurement Law shall be counted from the date when the request for involvement of the Subcontractor is submitted to the Customer. Verification of the provisions of exclusion will be performed on the date when the Customer has received a request to agree on the involvement of the Subcontractor.

In the case of violations of the requirements determined in Annex to the Contract " " "SJSC *Valsts nekustamie īpašumi* Labour Protection Requirements for Contractors When Performing Construction Works" and "Contractual Penalty Determined by *Valsts nekustamie īpašumi* for Failure to Comply with Labour Protection Requirements and Procedure for Construction Works, Labour Protection, Fire Safety, Electric Safety, Environment Protection and Other Requirements Determined by Regulatory Enactments at the Place of Performance of Construction Works", the Contractor shall pay the Customer the contractual penalty in the amount determined in the Annex.

If the Subcontractor's obligations are longer than the expiration date of the respective Defect Notification Period and the Engineer instructs the Contractor before this date to transfer the Customer the right to perform such obligations, then the Contractor shall fulfil it. Unless otherwise provided for in the contract on the transfer of obligations or rights, the Contractor shall not bear any liability towards the Customer for the work performed by the Subcontractor after the contract on the transfer of obligations has entered into force."

4.6 Cooperation

The first sentence of the Sub-clause shall be supplemented with Sub-clause (d) as follows:

"(d) other persons specified by the Customer."

Sub-Clause shall be supplemented with a new paragraph as follows:

"For the sake of clarity, cooperation with the persons mentioned in the Contract documents at the time of signing the Contract may not cause Unforeseen Costs to the Contractor within the meaning of the Contract, and such costs shall be included in the Accepted Contract Price."

4.8 Security measures	<p>To supplement the Sub-clause with two new paragraphs as follows: “As long as the place of performance of the Works is in the possession of the Contractor, the Contractor shall be fully responsible for compliance with all fire safety regulations at the place of performance of the Works.</p> <p>In the case of violations of the requirements determined in Annex to the Contract “ ” “SJSC <i>Valsts nekustamie īpašumi</i> Labour Protection Requirements for Contractors When Performing Construction Works” and “Contractual Penalty Determined by <i>Valsts nekustamie īpašumi</i> for Failure to Comply with Labour Protection Requirements and Procedure for Construction Works, Labour Protection, Fire Safety, Electric Safety, Environment Protection and Other Requirements Determined by Regulatory Enactments at the Place of Performance of Construction Works”, the Contractor shall pay the Customer the contractual penalty in the amount determined in the Annex.”</p>
4.9 Quality Assurance	<p>To supplement the Sub-clause with a new paragraph as follows: “The quality control system shall contain and reflect at least the following sections:</p> <ul style="list-style-type: none"> (a) organisational chart with division of responsibilities and duties; (b) work planning and monitoring procedures; (c) the procedure for evaluation of the existing project documentation, identification of non-conformities and elimination thereof; (d) Procedures for developing and approval of changes in the building design and detailed solutions; (e) quality control procedures for construction works by selecting appropriate contractors or manufacturers of construction products; (f) initial control of materials and equipment to be delivered; (g) Control of materials and equipment delivered to the construction site, (h) control of construction technological processes during the execution of construction works; (i) assessment of the conformity of the performed construction works immediately after the performance of the works and determination of the conformity with the set quality requirements; (j) procedures for the final control of the type or stage of work completed or to be delivered; (k) procedures for the preparation and approval of executive documentation; <p>For each type of work, the quality control system, in accordance with the requirements of the technical specification, shall be specified when developing the work performance project.”</p>
4.10 Information on the place of performance of the Works	<p>To delete the first paragraph of the Sub-Clause.</p> <p>Sub-Clause shall be supplemented with a new paragraph as follows: “The Contractor, as the developer of the Building Design, shall be responsible for carrying out all the necessary research for the performance of the Works, ordering, determination of the required volume thereof and interpretation of the conclusions of the research. Even if prior to the conclusion of the Contract, the Customer has presented or provided the Contractor with the research performed before, the Contractor shall bear the risk of their measurements and conclusions, and the Customer shall not guarantee the sufficiency or accuracy of such research.”²³</p>

²³ This paragraph shall be provided if it is planned to assign the contractor to carry out a feasibility study and/or shall be specified if feasibility studies have already been carried out and are handed over to the contractor for the performance of the Works.

4.11 Sufficiency of the Accepted Contract Price	<p>To supplement the second paragraph of the Sub-Clause with three new paragraphs as follows: The Contractor confirms that the Accepted Contract Price amount includes the remuneration to be paid to the Contractor (excluding VAT) for the high-quality and timely performance of the Works and for the risks and responsibilities assumed by the Contractor in accordance with the Contract.</p> <p>The Accepted Contract Price is full payment for the full performance of the obligations specified in the Contract, including, but not limited to, all costs related to the performance of the Works in full, including materials, all equipment and technology, facilities, product costs, work, personnel costs, overheads, profit, machinery, construction equipment and transport costs, winter increase, receipt of any approvals, costs of necessary research, work organisation costs, state and municipal taxes and fees (except the provisions of Sub-Clause 13.7 [<i>Adjustments due to changes in regulatory enactments</i>]), insurance and security costs, expenses related to all necessary documents (such as cadastral measurement file of structures or receipt of opinions from institutions/persons, who have issued the technical regulations) for the acceptance of commissioning of the Object, including costs for all works, materials and processes that are not directly listed in the Contract documents, but are arising and necessary for the proper, timely and high-quality performance of the Contract and the achievement of the objectives of the Contract.</p> <p>Besides, the Accepted Contract Price shall also include, inter alia, the compensation for performance of the author's supervision and transfer of property copyright of the Contractor, as well as use of personal rights in accordance with the terms and conditions of the Contract."</p>
4.12 Unforeseen Physical Conditions	<p>To supplement the first paragraph of the Sub-Clause with a new sentence as follows: "Unforeseen physical conditions, as well as unfavourable physical conditions shall mean the risk of the Contractor and the Customer has provided the Contractor with the information on the condition of the Work Performance Place (Object), adding the previous studies to the technical specification as well as has assigned the Contractor to assess the sufficiency and correctness of previously performed research, and to carry out additional studies if the Contractor deems it necessary to enable the Contractor to assume such risk."²⁴</p> <p>To delete the last sentence of the third paragraph of the Sub-Clause.</p> <p>To delete the fourth, fifth and sixth paragraph of the Sub-Clause.</p>
4.18 Environmental Protection	<p>Sub-Clause shall be supplemented with a third paragraph as follows: In the case of violations of the requirements determined in Annex to the Contract "□" "SJSC <i>Valsts nekustamie īpašumi</i> Labour Protection Requirements for Contractors When Performing Construction Works" and "Contractual Penalty Determined by <i>Valsts nekustamie īpašumi</i> for Failure to Comply with Labour Protection Requirements and Procedure for Construction Works, Labour Protection, Fire Safety, Electric Safety, Environment Protection and Other Requirements Determined by Regulatory Enactments at the Place of Performance of Construction Works", the Contractor shall pay the Customer the contractual penalty in the amount determined in the Annex."</p>

²⁴ This paragraph shall be provided if it is planned to assign the contractor to carry out a feasibility study and/or shall be specified if feasibility studies have already been carried out and are handed over to the contractor for the performance of the Works.

4.21 Progress Reports	The wording of the first sentence of the first paragraph “in six copies” shall be replaced by the following “in electronic form, signed by a secure electronic signature”
4.22 Safety at the Work Performance Place	To supplement the first paragraph of the Sub-Clause with Sub-Clause (c) as follows: In the case of violations of the requirements determined in Annex to the Contract “___” “SJSC <i>Valsts nekustamie īpašumi</i> Labour Protection Requirements for Contractors When Performing Construction Works” and “Contractual Penalty Determined by <i>Valsts nekustamie īpašumi</i> for Failure to Comply with Labour Protection Requirements and Procedure for Construction Works, Labour Protection, Fire Safety, Electric Safety, Environment Protection and Other Requirements Determined by Regulatory Enactments at the Place of Performance of Construction Works”, the Contractor shall pay the Customer the contractual penalty in the amount determined in the Annex.”
4.23 Contractor’s Activities at the Work Performance Place	To express the third paragraph of the Sub-Clause in the following wording: “Until the end of the Defect Notification Period, the Contractor, in coordination with the Customer, may leave those Goods which may be necessary for the Contractor to fulfil the obligations specified in the Contract at the Work Performance Place.”
	To add the new paragraph to the Sub-Clause as follows: “The Contractor shall be responsible for all claims of third parties arising in relation to performance of Works, during the performance or as a result of performance of Works. The Contractor shall have an obligation to eliminate the relevant claims by communicating directly with the relevant plaintiffs.”
4.24 Fossils	To delete Sub-Clause (b) from the second paragraph of the Sub-Clause. The fourth paragraph shall be supplemented as follows: “In the case of the performance of additional Works, the remuneration shall be determined on the basis of Clause 13.1 [<i>Changes may be introduced</i>]. In the event of suspension of the Works, compensation shall be determined in accordance with Clause 8.9 [<i>Consequences of suspension of the Works</i>].”
5.1 General Design Obligations	In third paragraph of the Sub-Clause, to replace the words “Upon receipt of the notification referred to in Sub-Clause 8.1 [<i>Commencement of Works</i>]” with the words “Upon commencement of Works”. To supplement the Sub-clause with five new paragraphs as follows: “The Contractor shall undertake to perform the Design Works in accordance with the provisions of the Contract and regulatory enactments, including the requirements of the Customer. The Contractor shall start performing the Design Works as of the Contract coming into force. The Contractor shall perform the requesting and receipt of all technical regulations necessary for the development of the construction concept, development of the topographic plan, engineering research, geology and necessary land surveying works. The Contractor shall be responsible for coordination of the performed designing works with all responsible authorities and institutions, as well as, if regulatory enactments require that - with issuers of the relevant technical regulations.

< > months shall be provided for the expert-examination of the design Works performed by the Contractor (if necessary) within the framework of the programme. In the case if the performance of the expert-examination requires a longer period of time, the Contractor shall have the right to request an extension of the time period for the performance of the Works specified in the Contract, if necessary due to objective reasons, for a period exceeding the above-mentioned time for the performance of the expert-examination.

Along with each Progress Report, the Contractor shall submit the Customer the developed project documentation in electronic (.pdf and .dwg) format.”

5.3 Contractor's Commitment

To supplement the Sub-Clause with the second paragraph as follows:
“The Contractor undertakes not to infringe the copyrights and intellectual property rights of other persons or to exploit unlawfully obtained copyright and intellectual property objects. The Contractor is responsible for infringements of the copyright and intellectual property rights of other persons. The Contractor shall ensure the receipt of permits and the acquisition of the rights necessary to ensure the fulfilment of the Contractor's obligations specified in Clause 1.10 [*Use of the Contractor's Documents for the Needs of the Customer*]. The Contractor undertakes not to transfer to third parties without the written consent of the Customer and not to use the copyright objects created within the framework of the Contract (the building design and other material objects created as a result of the Contractor's work) for the benefit of third parties.”

5.6 Executive Documentation of the Construction

To express the third sentence of the first paragraph of this Sub-Clause in the following wording:
“<Two> copies thereof, if the documents are prepared in the form of printed document, or one copy, if the documents are prepared in electronic form, signed with a safe electronic signature, shall be submitted to the Engineer before commencement of the Inspection before acceptance of Works”.

To express the first sentence of the third paragraph of this Sub-Clause in the following wording:
“Prior to the issuance of any Acceptance-Transfer Confirmation, the Contractor shall submit the Engineer all documents which must be available with the Contractor under the Applicable Law and which must be submitted to the Construction Board in accordance with the Applicable Law when initiating the commissioning of the construction or its stage, as well as all additionally submitted documents which are set in the Customer's requirements.”

6.7 Health and Safety

To delete the second sentence of the first paragraph of the Sub-Clause.

In the third paragraph of the Sub-Clause to replace the words “as soon as possible after its occurrence” with the words “within 3 (three) days after the accident”.

To supplement the Sub-clause with two new paragraphs as follows:
“Upon commencement of the fulfilment of the Contract, the Customer shall assign the Contractor as the project manager for preparation and execution of the design for the purpose of Cabinet Regulation No. 92 “Labour Protection Requirements in Performing Construction Work”, adopted on 25 February 2003, and it shall have an obligation to ensure the appointment of one or several labour protection coordinators, as well as the fulfilment of other obligations and requirements, which shall be performed by the project manager, labour protection coordinator, in accordance with the requirements of regulatory enactments governing labour protection, as well as to ensure the performance of other

obligations, provided for the Customer by the regulatory enactments governing labour protection. The Contractor shall be responsible for the consequences, arising as a result of the non-fulfilment or improper fulfilment of obligations determined in this Paragraph.

The Customer or the Engineer has the right to inspect the Work Performance Place, to establish, as well as to record in a deed or any other document whether the Contractor complies with the requirements determined in this Contract, including in the Annex to the Contract " " "Labour Protection Requirements of SJSC *Valsts nekustamie īpašumi* for Entrepreneurs Performing Construction Works" and/or requirements for the Contractor determined by regulatory enactments, incl. construction work procedures, labour protection rules, fire safety, electrical safety, environmental protection and other requirements. The Customer or the Engineer has the right to establish violations of the requirements determined in "Labour Protection Requirements of SJSC *Valsts nekustamie īpašumi* for Entrepreneurs Performing Construction Works", as well as regulatory enactments, incl. violations of construction work procedures, labour protection, fire safety, electrical safety, environmental protection and other requirements. The fact established by the Customer or the Engineer - a violation recorded in a deed or other document shall serve as the basis for imposing a contractual penalty on the Contractor, in accordance with the procedure and in the amount determined in the Annex to the Contract "Contractual Penalty Determined for Failure to Comply with the Labour Protection Requirements of SJSC *Valsts nekustamie īpašumi* and Regulatory Enactments on Construction Works Procedure, Labour Protection, Fire Safety, Electrical Safety, Environment Protection and Other Requirements at the Work Performance Place". The Contractor shall pay the applied contractual penalty to the Customer."

6.9 Contractor's Staff

Sub-Clause shall be supplemented with a third paragraph as follows:
"Replacement of the Contractor's personnel specified in the bid shall require the written consent of the Engineer, except for in cases when the replacement of the Contractor's personnel shall be performed in accordance with Clause 4.4 [*Subcontractors and Specialists*], when consent is given by the Customer. In the case of replacement of personnel, the Contractor shall submit the Customer a certificate of the personnel to be replaced regarding the transfer of the author's property rights (Annex " " to the Special Terms and Conditions). The Customer shall be entitled not to coordinate the replacement of personnel if the confirmation of the personnel to be replaced regarding the transfer of the author's property rights has not been submitted."

7.1 Type of Work Performance

To supplement the Sub-clause with two new paragraphs as follows:
"The Contractor shall only use accordingly certified Materials and shall perform detailed accounting of the delivered Materials and their accompanying documentation (declarations of conformity, passports, certificates, etc.) and verification of compliance with the requirements of regulatory enactments.

At the request of the Engineer, the Contractor shall submit the Engineer certificates of origin for the Materials. The Contractor shall coordinate all materials to be brought to the place of performance of the Works with the Engineer and shall present proof of their quantity. Failure to perform or improper performance of the obligations set out in this Clause shall be considered a material breach of the Contract by the Contractor."

7.3 Inspection

Sub-Clause (b) of the first paragraph shall be formulated as follows:
"(b) during production, manufacture and construction (at the Work Performance Place or elsewhere) have the right to inspect, check, measure and test the materials and the Work performance quality, and

to check the compliance of the Materials with the provisions of the Contract.”

7.4 Inspections

The first paragraph of the Sub-Clause shall be supplemented with a new sentence as follows:

“The Contractor shall notify the Engineer at least 7 (seven) days in advance of the day when the Contractor will be ready to perform system tests on partially or fully completed parts of the Works or full Works in accordance with the Customer's requirements. Unless otherwise specified by the Engineer, the tests shall be performed within 2 (two) working days after the moment when the Engineer has received the relevant notification. The Contractor shall notify the Engineer of any other inspections, including the inspection of covert works, at least 24 (twenty four) hours in advance.

7.6 Elimination of Defects

To express the second paragraph of the Subparagraph in the following wording:

“The Contractor shall comply with the instructions within a reasonable period of time, which may be specified in the instructions, or immediately if the work is designated as urgent in accordance with Sub-Clause (c). The Contractor shall start to eliminate urgent works immediately upon the Engineer's first request (incl. provided via telephone and electronically), taking all necessary measures for the immediate reduction and elimination of harmful consequences, but no later than within the time period specified by the Engineer.”

Sub-Clause shall be supplemented with a new third paragraph as follows:

“If the Contractor has not eliminated the instructions given by the Engineer within the time period specified by the Engineer and/or the elimination of the given instructions technically requires longer period of time, the Contractor shall immediately, but no later than within 3 (three) working days from the moment when the Contractor has received the instructions given by the Engineer, prepare a written statement indicating the time limits for elimination of defects and/or damages and submit it to the Engineer for approval. If the Engineer does not agree with the time period for elimination of defects and/or damage specified by the Contractor, the Contractor shall eliminate the defects and/or damage within the time period specified by the Engineer.”

To formulate the third paragraph of general rules as the fourth paragraph of this Sub-Clause and after the words “other persons” add the words “and/or perform these works by itself.”

7.7 Ownership of Equipment and Materials

Sub-Clause shall be supplemented with a new paragraph as follows:

“The transfer of ownership in accordance with the above-mentioned shall not mean the transfer of related risks (transfer of risks takes place upon return of the Object to the Customer, provided that the relevant Materials and Equipment are built into the Object or, in the case of early termination of the Contract - are transferred to the Customer).”

7.8 State duties and taxes

To supplement the first paragraph of the Sub-Clause with Sub-Clause (c) as follows:

“(C) for the issuance of a building permit or acceptance of the building concept by making a note in the explanatory memorandum or confirmation card, regarding the payment of compensation for the loss of biodiversity related to tree felling, as well as other payments necessary for the receipt of permits, licences and approvals specified in Sub-Clause 2.2 [*Permits, licences or approvals*], to be paid by the Customer in relation to the fulfilment of the Contract.”

8.1 Commencement of the Works	<p>[To express the Sub-Clause in the following wording:</p> <p>“The Works of Stage 1 shall be commenced as of signing of the Contract Agreement, the Works of the Stage <...> shall be commenced - within <...> days, for the Stage <...> - as of the <...> date of entry into force of the Contract>.”²⁵</p> <p>/</p> <p>[To express the Sub-Clause in the following wording:</p> <p>“The Contractor shall commence the Works as of signing of the Contract Agreement, and the construction works in accordance with the provisions of the programme, but in any case no later than on the 7th day from the day when the Work Performance Place (Object) is transferred to the Contractor for the performance of construction works.”²⁶</p> <p>[Supplement the Sub-Clause with a new paragraph as follows;</p> <p>“When performing the Works, the Contractor shall comply with the following interim terms: _____]”²⁷</p>
8.2 Execution Period	<p>Article (b) shall be replaced by the following:</p> <p>(b) complete all the works, required in accordance with the Contract, for the Works and Stages to be deemed completed and ready for acceptance in accordance with Sub-clause 10.1 [<i>Acceptance-Transfer of Works and Stages</i>].”</p> <p>The paragraph shall be supplemented with Sub-Clause (c) to read as follows:</p> <p>[“(c) when commissioned in accordance with the Applicable Law.”]²⁸.</p>
8.3 Programme	<p>To express the three sentences of the first paragraph of this Sub-Clause in the following wording:</p> <p>“The Contractor shall submit the Engineer a detailed work programme within 28 days from the date of signing of the Contract Agreement. The Contractor shall also submit an adjusted programme if the previous programme fails to correspond with the actual progress or contradicts the Contractor's obligations. Each programme shall include a project for the execution of the work, a plan for occupational safety and: ”</p>
8.4 Performance Time Extension	<p>Sub-Clause (c) of the first paragraph shall be replaced by the following:</p> <p>“(c) unforeseen adverse climatic circumstances which have been confirmed by information in writing provided by the competent authority,”</p> <p>The first paragraph shall be supplemented with Sub-Clause (f) to read as follows:</p> <p>(f) if a Technological Interruption has been applied during the performance of the Works, regarding which an appropriate entry has been made in the construction work log. Prior to the application of the Technological Interruption, the Contractor shall submit the Engineer the information on the manufacturer's defined restrictions in the performance of the Works in relation to technological metrological/climatic conditions or other restrictive conditions, as well as proof of actual technological metrological/climatic or other conditions during the relevant time period, when it was not possible to continue the performance of the relevant Works.”</p>

²⁵ The wording of the Sub-Clause, if the Works are divided into Stages.

²⁶ Wording of the Sub-Clause, if the Works are not divided into Stages.

²⁷ If the Contract provides for interim terms, they shall be specified.

²⁸ If it is envisaged that the works should be put into operation, Sub-Clause 10.1 shall determine that the Contractor shall ensure the commissioning of the structure in accordance with the procedures specified by regulatory enactments.

8.5 Delays in the Works caused by the authorities	To supplement the Sub-Clause with the second paragraph as follows: “In the event that the delay or termination of the Contractor's obligations is due to the circumstances referred to in the first paragraph of this Sub-Clause, based on decisions or instructions of the State authority, the Parties shall not need to enter into an additional agreement to the Contract regarding an extension of the Performance Time, and the above-mentioned circumstances and the time period for which the State authority has delayed or terminated the performance of the Contractor's obligations shall be indicated in the Acceptance-Transfer Confirmation of the Works as a period of time which shall be excluded from the Performance Time.”
8.7 Work Performance Delay Penalty	To express the first sentence of the second paragraph of this Sub-Clause in the following wording: “Where a contractual penalty has been calculated and damages are claimed at the same time, damages may only be claimed in excess of the calculated contractual penalty.”
8.11 Prolonged Suspension	To express the first sentence of the Subparagraph in the following wording: “If the <i>suspension</i> referred to in Clause 8.8 [<i>Suspension of Works</i>] lasts for more than <84> days, the Contractor may request permission from the Engineer to continue the work.”
10.1 Acceptance-Transfer of Works and Stages	To supplement the Sub-Clause with the fifth paragraph as follows: “Prior to the issuance of any Acceptance-Transfer Confirmation, the Contractor shall submit the Engineer all documents which must be available with the Contractor under the Applicable Law and which must be submitted to the building authority in accordance with the Applicable Law when initiating the commissioning of the construction or its stage, as well as all additionally submitted documents which are set in the Customer's requirements, <and commissioning of the structure shall be ensured in accordance with the Applicable Law ²⁹ ”
10.2 Work Part Acceptance-Transfer	The fifth paragraph shall be reworded as follows: “If the Acceptance-Transfer Confirmation has been issued for a Stage, the amount from which the penalty for late payment is calculated shall be reduced by the amount of the accepted Stage.”
11.1 Completion of work not performed and the elimination of defects	To supplement the second paragraph of the Sub-Clause after the words “accordingly notify the Contractor” with the words “including via phone and electronically”. To supplement the Sub-clause with two new paragraphs as follows: “Within the framework of the period of notification on defects, the Contractor shall perform elimination works of Defects within the time period specified in the Customer's written claim. The Contractor shall commence the elimination of urgent Defects, which may cause harm to human health, the environment or operation of the Object (including delay regular service of the Object), without delay, after the first request of the Customer (including given via phone and electronically) by performing all necessary measures for the elimination and prevention of harmful consequences within the time period specified by the Customer.”
11.4 Unreported defects	To express the first paragraph of the Subparagraph in the following wording: “If the Contractor has not eliminated defects and/or damage within the time period specified by the Customer and/or the elimination of the

²⁹ If it is envisaged that the Contractor shall ensure the commissioning of the structure in accordance with the procedures specified by regulatory enactments, Clause 8.2 shall be supplemented with Sub-Clause (c).

	<p>defects and/or damage technically requires a longer period of time, the Contractor shall immediately, but no later than within 3 (three) working days from the moment when the Contractor has received the information on the established defects and/or damage, prepare a written statement indicating the time limits for the elimination of defects and/or damage and submitting it to the Customer for approval. If the Customer does not agree with the time period for elimination of defects and/or damage specified by the Contractor, the Contractor shall eliminate the defects and/or damage within the time period specified by the Customer.”</p> <p>In the first sentence of the second paragraph of the Sub-Clause to replace the words “has not eliminated the Defect or damage until this set date” with the words “has not eliminated the Defect or damage within the time period determined by the Customer”.</p>
11.8 Responsibility of the Contractor to Reveal the Cause of Defects	In the second sentence of the Sub-clause to replace the words “accountable acceptable profit margin” shall be replaced by the following “accountable reasonable profit”
12.2 Delayed Inspections	In the first paragraph of the Sub-Clause to replace the words “accountable acceptable profit margin” shall be replaced by the following “accountable reasonable profit”
12.4 Failure to Pass Inspections after Acceptance of Works	In the third paragraph Sub-Clause (ii), to replace the words “accountable acceptable profit margin” shall be replaced by the following “accountable reasonable profit”
13.1 The Right to Make Changes	To express the second paragraph of the Subparagraph in the following wording: “The Contractor undertakes to implement all the Changes, unless it immediately submits a notice to the Engineer stating (together with explanatory information) that the Contractor is unable to provide the Goods necessary for the implementation of the Changes in time or that the implementation of the Changes incurs additional Costs. Upon the receipt of such notification, the Engineer shall revoke, confirm or amend its instructions. Changes related to the performance of additional work not provided for in the Contract shall be made in accordance with the Applicable Law”
13.3 Procedure for Making Changes	In the second sentence of the fourth paragraph, to replace the words “adequate profit” shall be replaced by the following “reasonable profit”
13.5 Reserve Amounts	Clause shall be deleted.
13.6 Daily Work	In the third paragraph of the Sub-Clause to replace the words “accurate reports in two copies” with the words “accurate report in electronic form, signed with a safe electronic signature”. In the first sentence of the fourth paragraph of the Sub-Clause to replace the words “one copy of each report shall be signed and returned” with the words “the report shall be signed with a safe electronic signature and submitted”.
13.7 Adjustments Related to Changes in Regulatory Enactments	To supplement the first paragraph of the Sub-Clause with the following sentence: “This Sub-Clause shall not be applied in the case if due to changes in the law applicable in the State, Expenses are increased and the

Contractor knew or should have known before the Base date about the changes in the Applicable law.”

Sub-Clause 2(b) shall be reworded as follows:

“(b) any compensation for such Costs to be included in the price of the Contract. If such Costs are related to additional works, the Changes shall be made in compliance with the regulatory enactments governing public procurement, as well as the regulatory enactments governing construction.

13.8 Adjustments for Changes in Costs

Clause shall be deleted.

13.9 Procedures for Changes in Works and Replacement of Equipment and/or Materials

To add a new Sub-Clause 13.9 to the Contract “**Procedures for Changes in Works and Replacement of Equipment and/or Materials**” as follows:

“The procedure shall apply to the cases specified in this Sub-Clause.

During the validity period of the Contract and in the cases specified in the Public Procurement Law, changes may be made to the originally planned Works and/or additional works may be performed in accordance with the procedures specified in this Sub-Clause.

Within the Accepted Contract Price, changes to the Works (including the volumes of Works) may be made, excluding the originally planned Works, reducing the volumes of Works, not exceeding ___% of the Accepted Contract Price (*% of the amount shall be determined in accordance with the decision of the Procurement Commission, but not exceeding 50%*), and/or by assigning additional works, increasing the volumes of Works, not exceeding ___% of the Accepted Contract Price (*% of the amount shall be determined in accordance with the decision of the Procurement Commission, but not exceeding 50%*), provided that the Accepted Contract Prices are not exceeded, namely, changes can be made if the costs of the works to be included do not exceed the costs of the Works to be excluded.

When applying this Sub-Clause, changes to the Works, the volumes of Works or additional works may be made if any of the following cases apply:

- (a) the necessity to change the volumes of Works have been established for the Works, which were initially included in the technical specification and for which a procurement procedure was organised, but due to objective reasons it was not possible to accurately determine or measure them³⁰;
- (b) the need to perform the works that were not initially included in the technical specification and their necessity could not be foreseen and/or their necessity was not foreseen, but the necessity of the works arises from the situation at the object³¹;
- (c) the need was established to perform the works that arise from changes in the requirements of the Customer (including the user of the object) and/or new requirements in relation to functional or technological additions or improvements in the use of the object, or reduction of operating costs;
- (d) additional works are necessary to ensure the essential requirements for construction specified in Section 9 of the Construction Law, as well as to comply with the construction

³⁰ This Sub-Clause shall not be provided for in the Contract, if the Contractor is simultaneously assigned to perform a feasibility study for the whole volume of the Works.

³¹ This Sub-Clause shall not be provided for in the Contract, if the Contractor is simultaneously assigned to perform a feasibility study for the whole volume of the Works.

principles specified in Section 4 of the Construction Law, if it is not related to the non-performance of obligations specified in the Contract for the Contractor, incl. inaccuracies made by the Contractor in the Technical Drawings or insufficient or inaccurate performance of the feasibility study;

(e) if the Customer has identified the need to optimise costs.

By concluding an agreement on the Contract, changes may be made in the Works, volumes of Works or additional works during the Works, not exceeding ___% of the Accepted Contract Price (*% of the amount shall be determined in accordance with the decision of the Procurement Commission, but not exceeding 50%*), increasing the Accepted Contract Price, in any of the cases referred to in the fourth paragraph of this Sub-Clause.

If, in the case of the application of this Sub-Clause, the costs of the works to be included exceed the costs of the Works to be excluded, then the agreement shall be concluded regarding the costs exceeding the costs of the Works to be excluded by applying the fifth paragraph of this Sub-Clause.

Upon establishing the need to make changes in the Works (works to be excluded, works to be mutually exchanged, additional works to be included), the Contractor shall prepare a Work Change Report, specifying the volume thereof and reasons for the occurrence thereof, establishment, mutual comparison of construction materials or solutions, as well as per need - photo recording, declarations of operational features of construction materials etc. together with the cost-estimate of works to be included and/or excluded. The Contractor shall submit the Work Change Report prepared and signed by the Contractor together with the cost-estimate to the author's supervisor for approval, submit it to the building manager after receiving the author's supervisor's approval and, after receiving the approval of both persons, shall submit it to the Engineer. The Work Change Report shall be signed by the Contractor, the building manager, author's supervisor and the Customer.

Prices of additional works shall be determined, on the basis of rates or prices for equal works included in the Contract, or shall be determined, considering the reasonable work performance Costs, adding reasonable profit and taking into account any other significant arguments, based on the prices of the relevant/similar work units on the market.

If the Engineer has failed to coordinate the cost-estimate enclosed to the Work Change Report, the Contractor shall, on the basis of the provisions of the Work Change Report signed by the Parties, building manager and author's supervisor, prepare the revised cost-estimate about changes in the volumes of Works and/or expenses of additional works and shall submit it for review to the Engineer.

The Engineer shall review and approve it within 14 (fourteen) days from the day of receipt of the cost-estimate or provide a reasonable refusal to approve the cost-estimate or any item specified in the cost-estimate.

If the Customer cannot approve the Work Change Report and the cost-estimate enclosed with it due to the lack of funding or any other considerations, the Contractor shall have an obligation to offer an alternative solution for changes in Works or additional works.

Within the framework of the Accepted Contract Price (provided that the Accepted Contract Price is not exceeded, the costs of additional works to be included do not exceed the costs of the works to be excluded), the Contractor shall only be entitled to perform the works specified in the Works Change Report, on the basis of the fourth paragraph of this Sub-Clause, after the Engineer has approved and the Customer has signed the Work Change Report and the attached cost-estimate or in the case if the initial cost-estimate was not approved, then the Contractor shall only be entitled to perform the works specified in the Work Change Report when the Engineer has approved and the Customer has signed the Work Change Report and the specified cost-estimate, and in such case it shall not be necessary to conclude any additional agreement to the Contract.

Pursuant to the initiative of the Contractor, when the Parties sign the Material/Product Approval form on such, the Equipment, Materials and/or technological solutions provided for in the technical specification and/or Technical Drawings may be replaced with new ones, if the initially planned ones are outdated and/or a better quality result will be achieved when replacing the initially planned ones (including the operation of the object will be more economical), and/or replacement is justified with the circumstances that the Contractor could not predict until entering into the Contract (for example, if the manufacturer of the Materials or Equipment terminates the production thereof). New Materials and/or Equipment, and/or technologies must be equivalent or better in terms of quality and properties than the ones to be replaced. The Contractor confirms that the proposed changes in the further performance of the Works will not cause additional costs to the Customer and will not affect the deadline for completion of the Works specified in the Contract.

In the case provided for in the thirteenth paragraph of this Sub-Clause, the Contractor shall prepare and submit the Engineer a comparison of the Materials, Equipment and/or technology specified in the technical specification and/or Technical Drawings with new - replaceable ones. New Materials and/or Equipment, and/or technologies must be analogous or better in terms of quality and properties than the ones to be replaced. When proposing the changes referred to in this paragraph, the Contractor shall prepare and submit the Engineer for consideration a Material/Product Approval Form for the replacement of Materials/Equipment, specifying the justification for changes and comparison of the Materials and/or Equipment, and/or technologies attached in the annex to the form with the new ones to be replaced. When signing the Materials/Products approval form regarding the replacement of the Materials/Equipment, the Contractor confirms that the proposed changes will not cause any additional costs for the Customer during the further performance of Works and will not affect the deadline for the completion of Works determined in the Contract. The Contractor shall assume full material responsibility for consequences, which may arise during the fulfilment of the Contract due to the changes proposed in the relevant Materials/Products Approval Form regarding the replacement of Materials/Equipment.

When making amendments to the fifth paragraph of this Sub-Clause and/or in cases determined in Section 61 of the Public Procurement Law, after the coordination of changes in Works and/or cost-estimate for additional works the Contractor and the Customer shall enter into a written agreement to the Contract regarding the performance of the necessary changes in Works and/or additional works. The Customer

	shall also be entitled not to enter into the agreement regarding the performance of the works referred to in this Sub-Clause after approval of the cost-estimate.”
14.1 Contract Price	<p>To supplement clause (c) of the first paragraph of the Sub-Clause with the following text:</p> <p>“(c) Neither of the schedules (Forms) shall restrict the Contractual obligations of the Contractor or the volume of Works to be performed. The Contractor shall assume the risk for actual volumes and costs of Works, and it shall not have the right to claim for increase of the Approved Contract Price or covering of any Costs, if the Contractor has been mistaken in its calculations or if the actual volume of Works appears different to the one determined in schedules (Forms).”</p> <p>To supplement the first paragraph of the Sub-Clause with a new sub-clause (e) as follows:</p> <p>“(e) when issuing the Interim Payment Confirmation and the Final Payment Confirmation, the Engineer shall follow the unit prices of the cost items specified in the Forms (Financial Offer Cost-Estimates) or in the Contract Price Details submitted to the Engineer.”</p>
14.2 Advance Payment	<p>To express the first sentence of the first paragraph of this Subparagraph in the following wording:</p> <p>“The Customer shall make an advance payment as an interest-free loan for preparatory and design work, and construction works as soon as the Contractor has provided an irrevocable, unconditional, first-demand advance payment guarantee in accordance with this Sub-Clause.”</p> <p>To express the second paragraph of the Subparagraph in the following wording:</p> <p>“If the Customer has not received the advance payment guarantee or if the total amount of the advance payment is not specified in the Annex to the Tender, this Sub-Clause shall not apply.”</p> <p>To delete the second sentence of the third paragraph of the Sub-Clause and supplement the paragraph with two new sentences as follows:</p> <p>“The Engineer shall issue an Interim Payment Confirmation for the second instalment after the receipt of the Report in accordance with Sub-Clause 14.3 [<i>Application for Interim Payment Confirmation</i>] and after (i) the Contractor has developed the construction concept documentation and agreed the construction concept documentation with the responsible institutions of the State (if the regulatory enactments of the State provided for the coordination of the construction concept documentation), and (ii) the Customer has received a guarantee in the amount and currency of the advance payment. This guarantee shall be issued by a credit institution/branch of a credit institution/branch of a foreign credit institution or insurance company/foreign insurance branch, registered in the Republic of Latvia or any other Member State of the European Union or European Economic Area, which has commenced the provision of services in the territory of the Republic of Latvia, in accordance with the procedure prescribed by the legal acts of the Republic of Latvia, and it shall correspond with the relevant (credit institution or insurance company) form attached to the Special Terms and Conditions. If an insurance company guarantee is provided as an annex to the policy, the policy must state that the conditions contained in this guarantee take precedence over any insurance terms. It should be determined in the guarantee that the request of the Customer shall be sent no later than on the end date of the Guarantee and 70 days after the planned Work performance time.”</p>

	To formulate Sub-Clause (a) of the fifth paragraph as follows: “(a) deductions shall begin with the first interim payment,”
14.3 Application for the Receipt of Interim Payment Confirmation	In the first paragraph of the Sub-Clause to replace the words “in six copies” with the words “in electronic form, signed with a safe electronic signature”
14.4 Payment Schedule	To express the second paragraph of the Subparagraph in the following wording: “The Contractor shall submit the Customer and the Engineer, together with each Progress Report, a cash-flow forecast (and any updates to such a forecast). For the sake of clarity, the Payment Schedule and cash flow forecasts are non-binding calculations of the payments that the Contractor expects to receive in the foreseeable future.” To supplement the Sub-Clause with the third paragraph as follows: ³² “For the part of the Accepted Contract Price specified in Clause 6 of the Contract Agreement - for the payment for the Design Works, the following Payment Schedule is determined in accordance with the interim terms specified in Sub-Clause 8.1 [<i>Commencement of Works</i>]: _____ ;_____ ”.
14.5 Equipment and Materials Intended for the Works	Sub-Clause (a) of the third paragraph shall be supplemented by Sub-Clause (iii): “(iii) has provided proof that the Equipment and Materials are not encumbered with rights in rem; and”
14.6 Issue of Interim Payment Confirmation	To delete Sub-Clause (b) of the third paragraph of the Sub-Clause. To express the first paragraph of the Subparagraph in the following wording: “No amount shall be confirmed and paid before the Customer has received and approved the Contract Performance Security and the insurance policies determined in the Contract. Thereafter, the Engineer shall, within 28 (twenty-eight) days from the receipt of the Report and accompanying documents, submit the Customer the Interim Payment Confirmation indicating the amount due to the Contractor in accordance with the substantiated decision of the Engineer as well as explanatory information. The payment request (invoice or other equivalent payment request document) shall be sent to the Customer's e-mail rekini@vni.lv .”
14.7 Payment	To express the first paragraph of the Subparagraph in the following wording: “The Customer shall make payments to the Contractor in the following order: (a) advance payment - within <14> days from the date when the Customer has received the request for advance payment and the documents stipulated in Sub-Clause 4.2 [<i>Contract Performance Security</i>] and Sub-Clause 14.2 [<i>Advance Payment</i>], and the Interim Payment Confirmation, (b) the amount specified in each Interim Payment Confirmation - within <28> days from the date of receipt by the Customer (both conditions must be met) of the Interim Payment Confirmation issued by the Engineer and the corresponding payment request (invoice or other equivalent payment request document),

³² This condition shall be included in the Contract if it is planned to pay for the Design Works upon receipt of the specific service/documentation or performance of the relevant interim periods.

(b) Final payment - within <28> days from the date of receipt by the Customer (both conditions must be met) of the Final Payment Confirmation issued by the Engineer and the corresponding payment request (invoice or other equivalent payment request document).”

**14.8
Late Payment**

To express the Subparagraph in the following wording:
“If the Customer unreasonably fails to make a payment in accordance with Sub-Clause 14.7 [*Payment*], the Contractor may claim the compensation specified in the Civil Law for the debt recovery costs in the amount of EUR 40 and statutory interest calculated from the amount of late payment.”

**14.9
Payment of the
Retention Money**

[To express the Sub-Clause in the following wording:
“Once the Work Acceptance-Transfer Confirmation has been issued and the Works have passed all required inspections (including Post-Work Inspections, if any), the Engineer shall approve payment of the Retention Amount to the Contractor. If an Acceptance-Transfer Confirmation for a Work Stage or Work Part has been issued, the Retention Money shall be approved and paid in proportion to the value of the Stage or Part, when the Stage of Part has passed all examinations.”]³³

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[To express the second paragraph of the Sub-Clause in the following wording:
“After the expiration of the 12 (twelve) month term from the date of issue of the Acceptance-Transfer Confirmation of Works, the Engineer shall approve the payment of the second half of the retention money to the Contractor. If a Stage Acceptance-Transfer Confirmation has been issued, the relevant part of the second half of the Retention Money shall be approved and paid-out after the expiry of the 12 (twelve) month period from the date of issue of the Acceptance-Transfer Confirmation of the Stage Works. This proportion shall be two-fifths (40%) of the proportion calculated by dividing the estimated Contract Price of the Stage or Part by the estimated final Contract Price.”]³⁴

Sub-Clause shall be supplemented with a new paragraph as follows:
In the case of violations of the requirements determined in Annex to the Contract “__” “SJSC *Valsts nekustamie īpašumi* Labour Protection Requirements for Contractors When Performing Construction Works” and “Contractual Penalty Determined by *Valsts nekustamie īpašumi* for Failure to Comply with Labour Protection Requirements and Procedure for Construction Works, Labour Protection, Fire Safety, Electric Safety, Environment Protection and Other Requirements

³³ Wording of the Clause of the Contract in the case if it is planned to pay the whole Retention Money to the Contractor after completion of Works, for example, if it is necessary for the projects funded from the financial means of the European Regional Development Fund.

³⁴ The wording of the Clause of the Contract in the case that after the completion of the Works it is planned to pay the Contractor only half of the Retention Money, paying the other half of the Retention Money 12 months after the acceptance of the Works.

	Determined by Regulatory Enactments at the Place of Performance of Construction Works” and violations established by the Customer or the Engineer, the Customer shall be entitled to reduce the pay-out of the retention money.”
14.10 Report on the Completion of the Work	The number and wording of the first paragraph of the Sub-Clause “within 84 days” shall be replaced with the wording “within <14> days” and wording “in six copies” shall be replaced by the following “in electronic form, signed with a secure electronic signature”
14.11 Application for Receipt of Final Payment Confirmation	In the Sub-Clause the words “in six copies” shall be replaced by the following “in electronic form, signed by a secure electronic signature”
14.16 Work Measurement and Evaluation Method	To delete the last sentence of the third paragraph of the Sub-Clause. To supplement with Sub-Clause 14.16 “Work Measurement and Evaluation Method” as follows: “The Parties agree to measure the performed Works in order to assess the progress of Works and correctly determine the monthly amount to be paid. Performed Works shall be measured as a percentage (from 0% to 100%) of the performed part of Works. The performed part of Works shall be calculated in accordance with the Contract Price Details submitted by the Contractor, i.e., the Contract Price Details shall provide the type, volume of Works and part of the Accepted Contract Price to be paid for the relevant part of Works, and the monthly amount to be paid shall be calculated as a percentage of the performed volume of Works during the relevant month. In order to determine the monthly amount to be paid, the Contractor shall visually measure the Works performed during the previous month and shall specify them in the Report. The Contractor shall inform the Customer and the Engineer about the performance of measurements at least 3 (three) working days before measurement, in order for them to participate in measurements and examinations.”
14.17 Direct Payments to Subcontractors	To add to the Contract a new Sub-Clause 14.17 “Direct Payments to Subcontractors” as follows: “The Customer shall be entitled, pursuant to the request of the Subcontractor, to make direct payments for the services provided, deliveries made or construction works performed by the Subcontractor to the supplier that the Contractor has accepted and the payment term of which is delayed, in accordance with the following procedure. Upon receipt of the request from the Subcontractor regarding payment for services provided, deliveries made or construction works performed by the Subcontractor to the Contractor directly to the Subcontractor, the Customer shall make the direct payment to the Subcontractor within 28 (twenty-eight) days from the day of receipt of the relevant request, invoice and other documents necessary for payment, if all the circumstances set forth below set in: (a) The Contractor has accepted the services, deliveries or construction works provided by the Subcontractor, and the fact is confirmed by the relevant document signed on the part of the Contractor;

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- (b) The Customer has accepted and paid at the expense of the Contractor for the services, deliveries or construction works provided by the Subcontractor, in accordance with the procedure provided for in the Contract;
 - (c) The Contractor has delayed the payment term for services, deliveries or construction works provided by the Subcontractor and the Subcontractor proves the fact with the relevant document (such as contract, delivery note, deed), specifying the relevant payment terms;
 - (d) the Customer has received the documents referred to in clauses (a), (b) and (c) together with the direct payment request from the Subcontractor in the official language, but if the relevant document is in a foreign language, it shall be enclosed with a translation into the official language certified in accordance with the procedure prescribed by the Cabinet of Ministers or notarially certified;
 - (e) The Customer has failed to pay the whole Contract Price due to the Contractor, as well as the balance of the Contract Price guarantees for the Customer adequacy of retentions and deductions determined in the Contract;
 - (f) The Customer has received the relevant Executive Documentation from the Contractor or the Subcontractor (together with the direct payment request);
 - (g) The Subcontractor has submitted the Customer a relevant invoice;
 - (h) The amount to be paid-out to the Subcontractor will not exceed the item of the relevant Contract Price.

After making the direct payment to the Subcontractor the Customer shall reduce the next payment to the Contractor for the relevant amount.

Before payment of the invoice of the Subcontractor, the Customer shall inform the Contractor of such request and permit it to provide an opinion on the validity of the request no later than within 7 (seven) working days.

If the Contractor fails to fulfil the obligation determined in Sub-Clause 4.1 of the Contract [*General Obligations of the Contractor*] to make the payment to the Subcontractor, the Customer shall be entitled to claim a contractual penalty from the Contractor in the amount determined in the Annex to the Bid for each established case.”

**15.2
Contract Termination
by the Customer**

To formulate Sub-Clauses (d) and (e) of the first paragraph of the Sub-Clause as follows:

“(d) has further transferred the obligations of the Contract without the necessary approval.

“(e) goes bankrupt or becomes insolvent, has entered into winding-up proceedings, agrees with its creditors or performs business activities on behalf of creditors by the name of another person, or if any act or event (under the Applicable law) has a similar effect to this subsection, including: has lost its licences, certificates or other permits required to carry out the respective Works.”

The first paragraph shall be supplemented with a new Sub-Clause (g) to read as follows:

“(g) The professional qualification of foreign specialists offered by the Contractor has not been recognised or a permit has not been received in accordance with the Law On Recognition of Professional Qualifications and/or the relevant specialists are not registered in the Register of Construction Information System Construction Specialists and such specialists have not been replaced in accordance with the Applicable Law.”

The first paragraph shall be supplemented with a new Sub-Clause (h) and (i) to read as follows:

“(h) it is not possible to fulfil the Contract due to the fact that international or national sanctions or significant sanctions determined by a Member State of the European Union or North Atlantic Treaty Organisation affecting the interests of the capital market are applied to it.

(i) the contractual penalty determined in Annex to the Contract “ ” “SJSC *Valsts nekustamie īpašumi* Labour Protection Requirements for Contractors When Performing Construction Works” and “Contractual Penalty Determined by *Valsts nekustamie īpašumi* for Failure to Comply with Labour Protection Requirements and Procedure for Construction Works, Labour Protection, Fire Safety, Electric Safety, Environment Protection and Other Requirements Determined by Regulatory Enactments at the Place of Performance of Construction Works” has been applied to it several times.”

The second sentence of the second paragraph of the Sub-Clause shall be formulated as follows:

“However, in the cases referred to in Sub-Clauses (e), (f) or (h), the Customer may terminate the Contract immediately by giving notice.”

The seventh paragraph shall be supplemented as follows:

“The Customer may terminate the Contract in the event that a decision is taken regarding the Customer on the review of priorities of the planning period of the relevant structural funds, and therefore the funding of the foreign financial instrument, which the Customer planned to use for the covering of payment obligations provided for in the Contract, has been significantly reduced or cancelled for the Customer.”

To supplement the Sub-Clause with the eighth paragraph as follows:

“Action of the Contractor, which corresponds to any of the cases listed in this Sub-Clause, is to be considered as refusal of the performance of author’s supervision, and therefore the Customer has the right to transfer the performance of author’s supervision to any other specialist of the relevant field or merchant, employing the specialist of the relevant field.”

16.1 The Contractor's Right to Suspend the Performance of the Works	To express the first paragraph of the Subparagraph in the following wording: “If the Engineer has not confirmed the payment in accordance with Sub-clause 14.6 [<i>Issuance of Interim Payment Confirmations</i>], the Contractor may suspend the performance of the Works (reduce the pace of performance of the Works) until the Contractor receives payment confirmation, no later than <21> days before the suspension by sending notification to the Customer.”
16.2 Contract Termination by the Contractor	To delete Sub-Clause (a) and (d) of the first paragraph of the Sub-Clause.
16.3 Termination of Performance of Works and Removal of the Equipment of the Contractor	To supplement the first paragraph of the Sub-Clause with a new Sub-Clause (d) as follows: “(d) the Object shall be returned to the Customer by signing the relevant acceptance-transfer deed on this.” Sub-Clause shall be supplemented with a new paragraph as follows: “In the case if the Contractor fails to voluntarily vacate the Construction Site and return the Object to the Customer within the time-limit specified by the Customer, the Customer shall be entitled by its own forces (including by involving the relevant construction specialists and

	<p>security guard, if necessary) to take over the performed Works, the Construction Site and the Object, and all construction products, Materials and Equipment available at the Object, accordingly documentarily recording the procedure of takeover, including by unilaterally signing the relevant acceptance-delivery deed, which shall be binding to both Parties and the time of signing of which shall serve as a reference date for the commencement of the Defect Notification Period with regard to the performed and taken over Works. In such a case all property and equipment of the Contractor left at the Construction Site shall be deemed as abandoned for the purpose of the Civil Law and the Customer may operate with them at its own free discretion (including to alienate and to keep the received amount, or utilise). This paragraph shall also be applied in the cases when the Contractor fails to voluntarily perform the activities determined in Sub-Clause 15.2 [<i>Termination of the Contract by the Customer</i>] with regard to immediate leaving of the Work Performance Place.”</p>
16.4 Payment in Case of Contract Termination	To delete Sub-Clause (c) of the Sub-Clause.
16.1 Termination of the Contract	To supplement Clause 16.1 “ Termination of the Contract ” as follows: “The Parties shall have the right to terminate the Contract before the expiry of the Performance Time on the basis of mutual agreement by entering into a written agreement on this.”
17.3 Customer’s Risks	To supplement each clause with the name “in the State”.
17.4 Consequences of Customer’s Risks	In the second sentence of Sub-Clause (b) of the second paragraph, to replace the words “acceptable profit margin” shall be replaced by the following “reasonable profit”
17.6 Limitation of liability	<p>To formulate the first two paragraphs of the Sub-Clause as follows: “Neither of the Parties shall be responsible in front of the other Party for lost possibilities to use any Works, for lost income, lost contracts or any indirect losses or damages, arising to the other Party in relation to the Contract, except if they are specified in Sub-Clause 8.7 [<i>Losses Caused by Delays in Work Performance</i>], Sub-Clause 15.4 [<i>Payment after Termination of the Contract</i>], Sub-Clause 15.6 [<i>Previously Evaluated Losses in Case of Termination of the Contract</i>] and Sub-Clause 17.1 [<i>Protection</i>].</p> <p>Total liability of the Contractor towards the Customer in accordance with or in relation to the Contract, except as provided for in Sub-Clause 4.19 [<i>Electricity, Water and Gas</i>], as well as in relation to Sub-Clause 4.20 [<i>Equipment of the Customer and Free Materials</i>], Sub-Clause 8.7 [<i>Losses Caused by Delayed Work Performance</i>], Sub-Clause 17.1 [<i>Protection</i>] and Sub-Clause 17.5 [<i>Intellectual and Industrial Property Rights</i>] shall not exceed the Accepted Contract Price or Contract Price (depending on which of them is bigger).”</p> <p>To supplement the Sub-Clause with the fourth paragraph as follows: “Payment of the contractual penalty shall not exempt the Party from the complete fulfilment of obligations of the Contract and shall not exclude the obligation to compensate losses and/or expenses.”</p>

17.7 Personal Data Protection

To supplement Sub-Clause 17.7 “**Personal Data Protection**” as follows:
“Within the framework of fulfilment of the Contract, including when performing the mutual transfer-acceptance of personal data and sequential processing in order to ensure the fulfilment of this Contract, the Contractor and the Customer shall be separate controllers of personal data processing in the context of personal data processing.

The Contractor and the Customer shall ensure the processing of personal data in accordance with this Contract and the regulatory enactments governing personal data processing, including:

- (1) in accordance with Article 13 and Article 14 of REGULATION (EU) 2016/679 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), shall be informed by the Party that acquires the personal data;
- (b) in the case of a request of the data subject, a reply shall be prepared within the specified time period by the Party, which has received the request of the data subject;
- (c) each Party shall ensure the implementation of the rights of the data subject with regard to the processing of the personal data it performs until the transfer of personal data to the other Party;
- (d) each Party of the Contract shall implement appropriate technical and organisational measures to ensure and be able to demonstrate that the processing of personal data is performed in accordance with the regulatory enactments governing the processing of personal data.

The Parties shall, upon the respective written request of the other Party, provide each other with the necessary support in cases of a personal data breach and requests of data subjects (in cases of personal data breach - no later than within 72 (seventy-two) hours, in other cases - no later than within 2 (two) weeks).

The Contractor and the Customer shall not be liable for possible personal data breaches of the other Party that have occurred in relation to the fulfilment of this Contract until the day when the other Party has transferred the personal data to the Customer or the Contractor respectively.”

18.1 General Insurance Requirements

[To express the second paragraph of the Sub-Clause in the following wording:

“When the Insurer's Party is the Contractor, each insurance contract must be concluded and submitted in accordance with the provisions specified in the Procurement Procedure Documents. These provisions, stipulated in the Procurement Procedure documents, shall take precedence over the provisions of this Article.”

Article (b) of the sixth paragraph shall be replaced by the following:
“(b) copies of the insurance policies specified in this Clause.”³⁵

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[To express the Sub-Clause in the following wording:

“The Contractor shall be obliged, no later than within 14 (fourteen) calendar days after the entry into force of the Contract and before the commencement of Works, to submit the Customer the copies of such insurance policies, insurance contract and the document, confirming payment of the insurance premium, corresponding with the provisions of

³⁵ Terms and conditions of the Contract if the Accepted Contract Price exceeds 10 million euros.

Cabinet Regulation No. 502 "Regulations on Compulsory Civil Liability Insurance for Construction Specialists and Construction Contractors", adopted on 19 August 2014 (including the amount of the limit of liability, coverage, validity period of the policy):

General third liability insurance policy of the contractor as a construction contractor;

Professional activity third party insurance policy of the construction specialists of the Contractor.

The insurance policies submitted by the Contractor should include the Customer as the third party (*SJSC Valsts nekustamie īpašumi*) and the amount of the insurance policy liability limit specified in the first paragraph of this Sub-Clause shall not be reduced for the entire insurance period (including in cases when insurance indemnities are disbursed).

If the insurance policy expires during the validity period of the Contract, the Contractor shall submit the Customer the new documents determined in the first paragraph of this Sub-Clause of the same type and content no later than 14 (fourteen) days before the last day of the validity period of the previous insurance policy.

During the validity period of the Contract the Customer has acquired and shall maintain the following insurance policies:

- (a) construction all risk insurance policy for the total amount of Works;
- (b) a general third party liability overdraft insurance policy of the construction contractor, where the insured person is the Contractor and the policy operates above the amount and coverage of the insurance limit specified in Cabinet Regulation No. 502 "Regulations on Compulsory Civil Liability Insurance for Construction Specialists and Construction Contractors", adopted on 19 August 2014;
- (c) professional activity third party insurance policy of the construction specialists, where the insured person is the Contractor and the policy operates above the amount and coverage of the insurance limit specified in Cabinet Regulation No. 502 "Regulations on Compulsory Civil Liability Insurance for Construction Specialists and Construction Contractors", adopted on 19 August 2014.

In cases where the Customer or a third party suffers losses in relation to the professional activities of the Contractor, the primary policies regarding losses of the Customer or third parties shall be the policies acquired by the Contractor in accordance with the procedure determined in the first paragraph of this Sub-Clause and Cabinet Regulation No. 502 "Regulations on Compulsory Civil Liability Insurance for Construction Specialists and Construction Contractors", adopted on 19 August 2014. Provisions determined in Section 52, Paragraph six of the Insurance Contract Law regarding compensation for proportional losses shall not be applied to the insurance policies determined by the Customer in Sub-Clauses (b) and (c) of the fourth paragraph of this Sub-Clause.

In cases when the Contractor has not provided the insurance policies determined in accordance with the procedure of the first paragraph of this Sub-Clause and Cabinet Regulation No. 502 "Regulations on Compulsory Civil Liability Insurance for Construction Specialists and Construction Contractors", adopted on 19 August 2014, and/or maintenance thereof during the while validity period of the Contract, in cases of losses of the Customer or third parties after the disbursement of indemnity from the insurance policies determined in Sub-Clauses (b)

	and (c) of the fourth paragraph of this Sub-Clause, a recourse claim shall be directed towards the Contractor.] ³⁶
Sub-Clauses 18.2 to 18.4	shall be deleted
19.4 Consequences of Force Majeure Circumstances	<p>To express the first paragraph of the Subparagraph in the following wording:</p> <p>“If the Contractor is unable to perform any of the obligations under the Contract due to force majeure, which has been notified in accordance with Sub-clause 19.2 [<i>Notice of Force Majeure</i>], and it is prevented from performing the Works in relation to this force majeure situation, the Contractor, according to Sub-clause 20.1 [<i>Claims of the Contractor</i>], shall be entitled to request a time period extension for any such delay if the performance of the Works is or will be delayed in accordance with Sub-Clause 8.4 [<i>Performance Time Extension</i>].”</p> <p>Sub-Clause shall be supplemented with a new paragraph as follows: “For the sake of clarity - activities or decisions (acts), made by the state or municipal authorities or institutions, or persons who issue technical regulations or any licences, certifications etc., shall not be considered as force majeure circumstances, if the above-mentioned subjects act within the framework of regulatory enactments.”</p>
19.6 Contract Termination Possibility, Payments and Discharge from Obligations	Article (e) of the second paragraph shall be deleted.
20.1 Contractor’s Claims	<p>To express the second sentence of the first paragraph of this Subparagraph in the following wording:</p> <p>“Notification shall be submitted as soon as possible and no later than 10 days from the moment when the Contractor has found out or the Contractor should become aware of the event or circumstances.”</p> <p>To express the first sentence of the second paragraph of this Sub-Clause in the following wording:</p> <p>“If the Contractor fails to submit the notification on the claim within these 10 days, the Contractor shall lose the right to claim for an extension of the Performance Time and additional payment, and the Customer shall be exempt from any liability related to the claim.”</p> <p>To express the fifth paragraph of the Sub-Clause in the following wording:</p> <p>“Within 10 days from the moment when the Contractor has given notification to the Engineer regarding extension of the Performance Time and/or additional payment, the Contractor shall submit the Customer the detailed claim, including the explanatory information with regard to the grounds of the claim and the requested time extension and/or additional payment. The Customer shall decide whether the grounds specified by the Contractor are sufficient to propose amendments to the Contract, taking the legal provisions governing public procurements into account.”</p> <p>To delete the sixth, seventh and eighth paragraph.</p>
Sub-Clauses 20.2 to 20.5	shall be deleted

³⁶ Terms and conditions of the Contract if the Accepted Contract Price is up to 10 million euros.

20.6 Arbitration	To express the Subparagraph in the following wording: “Court Any dispute, where the Parties fail to reach a settlement through mutual negotiations or on the basis of agreement between the Parties, shall be submitted to a court for judicial review in accordance with the laws and regulations of the Republic of Latvia.”
Sub-Clauses 20.7 and 20.8	shall be deleted

Contractor:
 <Contractor's name>
 <Position, name and surname of the person entitled to sign>

Customer:
 <Customer's name>
 <Position, name and surname of the person entitled to sign>

 (signature*)

 (signature*)

*THIS DOCUMENT HAS BEEN SIGNED ELECTRONICALLY WITH A SAFE ELECTRONIC SIGNATURE AND CONTAINS A TIME STAMP.
 THE DATE OF SIGNING OF THE DOCUMENT IS THE DATE OF THE TIME STAMP OF THE LAST SIGNATORY.

ANNEXES TO THE SPECIAL PROVISIONS