

Minutes of Contract Negotiation

This minute of Contract negotiations is signed on **May 21, 2020** between the Ministry of Internally Displaced Persons, Labour, Health and Social Affairs (hereinafter called the “Client”) on the one hand and MDS LTD (hereinafter called the “Contractor”) on the other hand.

The Contract negotiations for the supply of “**Critical Care Ventilators**” under Contract No COVID19/G/DC-02 took place virtually at Webex.

Attendees of the negotiation:

Client	Position
Tamar Shalamberidze	Acting Head of Procurement Division
Maia Nikoleishvili	Acting Head of International Relations and Protocol Division of Administration
Tamar Tsenteradze	Procurement Consultant (HEIS)
Nino Ramishvili	World Bank Procurement Specialist (Observer)
Contractor	Position
Lela Atoshvili	Director
Andro Atoshvili	CEO
Mariam Kipshidze	General Manager

Issues discussed:

1. Shipping and other documents to be provided – the contractor explained that a weigh bill, invoice and packing list will be provided on acceptance of the goods (at final destination) for more convenience; The client agreed to the proposal.
2. Contract Price – the contract price is in two currencies and fixed to US\$ 403,437.6 and GEL 5,000 payable in given currencies through Direct Payment System; Contractor does not charge for the related services.
3. Payment Terms – Thirty (30) percent of advance payment will be paid within ten (10) days of signing of the Contract and upon submission of claim and a bank demand guarantee, in the form provided in the request for invitation for direct contracting, for equivalent amount valid until the Goods are delivered and in the form of Advance Payment Security provided in the request for invitation for direct contracting. The remaining amount should be paid by installment according the following terms:

- (i) 1st payment, 40% of contract amount, on shipment of the goods, against invoice accompanied with an air bill, inspection certificate and insurance certificate; payable within 15 days of submission of claim.
 - (ii) 2nd payment, 30% of contract amount, on acceptance of the goods, against invoice accompanied with acceptance certificate; payable within 15 days of submission of claim.
- 4. Taxes and duties – there are no related custom duties or other taxes.
 - 5. Technical Specifications – the client confirmed the compliance of the offer to the requirements.
 - 6. Tests and inspections – the goods will be inspected on the delivery for the quantity and physical condition. The client might modify delivery place (final destination). The contractor agreed to deliver at required place within Georgia without price adjustment.
 - 7. Insurance – the in-land transportation including insurance will be covered by the contractor at its own cost.
 - 8. Delivery Dates – Considering the unforeseen circumstances of transport movement during the pandemic, the parties have agreed to extend delivery dates by 10 days in order to meet contract conditions in case of unexpected event. Therefore, Contract Term #18.1 will be modified as follow:

“The Delivery Date of the Goods shall be: 40 days after Contract Signature”
 - 9. Liquidated Damages – the contractor confirmed that any damaged goods will be replaced within 30 days from the client’s notice. The contractor negotiated the percentage of the liquidated damage to be applied on delayed goods and related services. Parties agreed to fix the ceiling to 1% of the contract amount per week and maximum amount to 10%. Consequently, contract clause 19.1 will be modified as follows:

“The liquidated damage shall be 1% of the price of the delayed Goods or unperformed Services for each week or part thereof of delay until actual delivery or performance.

The maximum amount of liquidated damages shall be 10% of the Contract Price. Once the maximum is reached, the Purchaser may terminate the Contract pursuant to CC 26.”
 - 10. Delivery of related services – the parties agreed that onsite training and installation will be conducted upon delivery of the goods.
 - 11. It was agreed that: The offer will be valid till the May 31, 2020.

These Minutes of the Contract Negotiations represents an integral part of the Contract COVID19/G/DC-02.

The parties expressed their gratitude towards the meeting participants for their assistance and concluded the meeting.

Signed by:

For the Employer:	For the Consultant:
Giorgi Tsotskolauri – Deputy Minister	Lela Atoshvili – Director of MTECH LTD