Number

Year

Skopje,

The Metamorphosis Foundation based on st. Apostol Guslarot No. 40, 1000 Skopje, Republic of Macedonia, Single Identification Number (), tax identification number (), represented by Bardhyl Jashari, director, Procurer (hereinafter "Procurer"), on one hand,

and

(name, address, seat, single identification number and tax identification number)

represented by (hereinafter "Contractor"), on the other hand,

sign the following

DRAFT CONTRACT FOR PROCUREMENT OF SERVICES

***Contract Scope***

Article 1.

This contract regulates the mutual rights and obligations of the Procurer and Contractor regarding the procurement of services for development of a software solution for Macedonia

- Metamorphosis Foundation.

The preparation of the software solution from paragraph 1 of this Article shall include the creation of a web-application for archiving contents from the media that will help save the contents of the webpages selected by the users and automatically from selected websites.

A detailed description of the service is included in Annex 1, which is an integral part of this Contract.

The Organization and methodology for implementation of the service (Annex 2) is also an integral part of this Contract.

***Contract Value***

Article 2.

The total price for the service is \_\_\_\_\_\_\_\_\_\_ MKD, VAT excluded.

***Service Duration***

Article 3.

The contract is concluded for a definite period of 90 days from the date of signing.

The dynamics of service performance is indicated in the Service Description (Appendix 1).

***Subcontractors***

Article 4.

The contractor may not assign the performance of the service or part of it to subcontractors.

***Obligations of the Contractor***

Article 5

The contractor is obliged to perform the service according to the conditions stipulated in this Contract.

The obligation from paragraph 1 of this article shall be considered as fulfilled by the Contractor, when the Procurer electronically notifies the Contractor that the delivered service matches the service description and the conditions of this Contract.

***Obligations of the Procurer***

Article 6.

The Procurer is obliged to pay the agreed amount to the Contractor upon completion of the procured service, and within 15 days after receiving the invoice delivered by the Contractor.

If the Procurer fails to pay within the specified deadline, statutory interest for late payment shall be applied, at a rate determined by the applicable regulations.

Article 7.

The Procurer is obliged to deliver to the Contractor the necessary information, and to perform all other necessary actions in order to enable the performance of the service, in accordance with the provisions of this contract.

***Ownership and use of the results***

Article 8.

The application developed as a result of the performance of the service shall be exclusively owned by the Procurer, i.e. the Procurer has an unlimited right to use, modify and distribute the program code of the application.

Article 9.

The Contractor is obliged to deliver the program code of the application which is subject to this Contract to the Procurer, so the Procurer can be able to exercise the rights from Article 8 of this Contract.

The program code must be properly documented and packaged in a form for which the Procurer will enable easy maintenance and further development or upgrades of the application. The Contractor is obliged when delivering the program code to the Procurer, to also deliver tools and program documentation, enabling independent programming and changing of the functionalities of the system, as well as integration with other applications and solutions, without the intervention of the Contractor.

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Article 10.

The Contractor may not display its name or logo without the Procurer’s approval, on the system’s website or on any other product that is directly associated with the application.

***Control of the service performance and responsibility for deficiencies***

Article 11.

The Contractor is responsible for deficiencies in the service. A deficiency exists when the service does not have and/or does not provide the necessary properties for its use, that have been explicitly or implicitly agreed upon, and that were known or had to be known to the Contractor.

Article 12.

The Procurer has the right to control the quality of the performance of the service. If the Procurer is not satisfied with the manner in which the service was performed, the Procurer shall notify the Contractor about the remarks. The Contractor is required to make corrections according to the remarks, within 5 business days. If the deficiencies are not corrected, the Procurer has the right to demand a price reduction or termination of the Contract, as well as the right to claim damages.

***Warranty, warranty period and responsibility for deficiencies in the application***

Article 13

The Contractor issues a warranty for the functionality of the developed application.

The warranty period is one year and begins on the date of issuance of the certificate for acceptance of the functionality of the software application by the Procurer, pursuant to Article 5 of this Contract.

The warranty includes maintenance of the application at the same level in which it was delivered and received.

Deficiency exists if the application:

1) does not have or does not provide the required properties for its regular use;

2) does not have the required properties for the specific use for which it is purchased by the Procurer, which was known or had to be known to the Contractor; and

3) does not have the expressly or implicitly agreed properties and features. The Contractor is not liable for the deficiencies in paragraph (3) of this Article,

if at the time of conclusion of the Contract, the Procurer was aware or must have been aware about the deficiencies.

Article 14.

If deficiencies occur during the warranty period hindering the functionality of the application, the Procurer shall notify the Contractor, and the Contractor shall be obliged to intervene and correct the deficiencies free of charge, in order to restore the application’s functionality to the acceptable level.

In the notice about the deficiency of the service, the Procurer is obliged to provide a detailed description of the deficiency and urge the Contractor to review the software application.

Article 15.

If the Contractor is unwilling or unable to remove the deficiencies, the Procurer may engage a third party to remove the deficiencies at the expense of the Contractor.

If the emerging deficiencies and issues in the functionality of the application are the result of interventions and other activities undertaken by the Procurer or a third party acting according to the instructions of the Procurer, then these deficiencies are not covered by the warranty. If changes are made to the program code by any party other than the Contractor, then the warranty issued by the Contractor shall be deemed expired.

Article 16.

If the Procurer has timely and properly informed the Contractor about the deficiency, the Procurer may require the Contractor to remove the deficiency or to request the execution of other services without deficiencies (fulfillment of the Contract);

The warranty period shall be extended for as long as the Procurer was deprived of the use of the application.

***Conflict of interest***

Article 17.

The parties will take all the necessary measures to prevent or end any situation that may compromise the independence and fair implementation of this Contract. Such conflicts of interest may arise as a result of economic interest, political affiliation, citizenship, family or emotional ties, or any other kind of relationship or mutual interest.

The Procurer must be notified immediately in writing, about any conflicts of interest that may arise during the implementation of this Contract. In case of confirmation of the existence of a conflict of interest, the Contractor shall immediately take all necessary steps to resolve the conflict of interest.

The Procurer reserves the right to verify that the measures taken are appropriate and may require additional measures to be taken, if necessary.

The Contractor will ensure that its staff, including the managers, will not enter into a situation that could lead to a conflict of interest. When a person authorized by the Contractor works contrary to the obligations undertaken with this contract, the Contractor is obliged to immediately replace that person without any compensation from the Procurer, provided that the person / persons have caused such a situation.

***Penalty for delay or non-fulfillment of the contract***

Article 18.

In case of delay in the performance of the contractual service by the Contractor, the Procurer is entitled to claim damages and a contractual penalty.

The parties agree that in case the Contractor does not perform the service which is subject of this Contract, the Contractor will pay the Procurer

a contractual penalty of 5% of the total price specified in Article 3 of this Contract, for each day of delay.

The contractual penalty cannot exceed 30% of the total price specified in Article 3 of this Contract.

***Conditions for termination of the contract***

Article 19.

When one of the contracting parties fails to fulfill its obligation under the Contract, the other party may request the fulfillment of the obligations within a certain period of time.

If the obligations are not fulfilled within the specified deadline, the contracting party has the right to terminate the Contract and the right to claim damages.

The contracting party that terminates the Contract due to the other party’s failure to fulfill its contractual obligations, is obliged to inform the other party about the termination without delay.

Article 20.

The contract cannot be terminated due to non-fulfillment of an insignificant part of the obligation.

***Force Majeure***

Article 21.

None of the parties shall be responsible for the non-fulfillment of this Contract that has occurred due to a force majeure. If one of the parties was prevented to fulfill its obligations under the Contract due to force majeure, it shall deliver a written notice (within 24 hours) to the other party, stating the reasons for the force majeure and possibly providing appropriate proof. After the removal of the force majeure, the Contract may be implemented as required, with a mutually accepted amendment, or it may also be terminated with a mutual agreement.

***Liability***

Article 22.

Under no circumstances will the Procurer be liable for any damage or injury caused by the staff or property of the Contractor, during the performance of the service. Hence, the Procurer cannot accept any claim for compensation or a request for increase in the payment related to any damage or injury.

The Contractor bears full responsibility towards third parties, including liability for damage or injury of any kind, caused by them during the performance of the service. The Contractor should exclude the Procurer from any kind of liability arising from any claim or action, as a result of violations of the rules and regulations by the Contractor or its employees or individuals under its supervision, or as a result of violation of the rights of third parties.

***Applicable law***

Article 23.

The relevant regulations of the Republic of Macedonia shall apply for this Contract.

***Transitional and Final Provisions***

Article 24.

The parties may agree to amend this Contract with an Annex to the Contract in writing.

Article 25.

This contract comes into effect on the date of signing of the Contract by the Contractor.

Any disputes arising from this Contract shall be amicably settled between the parties, and if no agreement is reached, the dispute shall be resolved through mediation. If no agreement is reached through mediation, the dispute shall be resolved in the competent court in Skopje.

This contract is made out in four (4) identical copies, two copies for each contracting party.

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| Procurer:  Metamorphosis Foundation | (Contractor) |
| (legal representative) | (legal representative) |