Annex 7

To the Procurement Documents

**PUBLIC SERVICE PROCUREMENT CONTRACT**

**GENERAL TERMS AND CONDITIONS**

1. TERMS AND DEFINITIONS AND INTERPRETATION OF THE CONTRACT

1.1. Terms used in the Contract:

1.1.1. **Total value of the Contract** means be the value of the contract, including any mandatory fees, extensions of the time limit for the provision of the services, or the possibility of additional purchases (options), except for the amendments referred to in Article 89 of the Law on Public Procurement of the Republic of Lithuania (hereinafter referred to as the Law).

1.1.2. **Services** means the Services as defined in the Special Conditions of the Contract, its Annexes, and other services which the Supplier undertakes to provide to the Customer in accordance with this Contract and the requirements of applicable law.

1.1.3. **Tender** means the set of documents and data submitted by the Supplier during the procurement procedures for the provision of the Services in accordance with the terms and conditions set out in the procurement documents.

1.1.4. **Service Transfer and Acceptance Statement** means a document confirming the execution of the Contract and confirming the fact of performance of the Services or part thereof and their transfer to the Customer, approved by the Parties.

1.1.5. **Initial Contract Value** means be the amount of funds specified in the Special Conditions of the Contract and calculated in accordance with the Methodology for Establishment of Pricing Rules approved by the Order No. 1S-95 of the Director of the Public Procurement Office of 28 June 2017 “On the Approval of the Pricing Methodology”.

1.1.6. **Procurement Documents** means the totality of the documents submitted or referred to during the public procurement procedure for the conclusion of this Contract, including their explanations (clarifications), on the basis of which the Supplier has submitted a tender.

1.1.7. **Invoice** means a VAT invoice or other invoice/payment document (if the Supplier is not a VAT payer) issued by the Supplier and submitted to the Customer for payment, for the Services duly, properly, qualitatively and in a timely manner performed by the Supplier and transferred by the Supplier and accepted by the Customer, or any parts thereof, if such parts are set out in the Contract.

1.1.8. **Contract** means the contract for services for consideration concluded between the Customer and the Supplier, consisting of the General Conditions of the Contract and the Special Conditions of the Contract, including the annexes to the Special Conditions of the Contract.

1.1.9. **General Conditions of the Contract** means the part of the Contract which sets out the general terms and conditions for the performance of the service contract.

1.1.10. **Special Conditions of the Contract** means the part of the Contract which deals with the individual terms and conditions for the performance of the service contract: the subject matter of the Contract, the scope and price of the Services and/or rates or other pricing methods, the time limits for the provision of the Services, and other terms and conditions of the Contract.

1.1.11. **Contract Price** means the economic benefit to be received by the Supplier for the Services under the Contract. The Contract Price shall include all taxes and all other costs incurred by the Supplier in connection with the performance of the Contract. The term Contract Price in the General Conditions of the Contract includes and refers to all pricing methods: fixed price, fixed rate, variable rate, reimbursement of the costs of performance of the Contract, mixed pricing.

1.1.12. **Contractual Rate** means the price per unit of measure of the Service.

1.1.13. **Supplier** means a party to the Contract – an entity that provides the Services to the Customer as specified in the Special Conditions of the Contract.

1.1.14. **Technical Specifications** means a document setting out the requirements for the Services.

1.1.15. **Customer** means a Party to the Contract purchasing the Services specified in the Special Conditions of the Contract from the Supplier.

1.2. Other terms used in the Contract shall correspond to the terms set out in the Law, the Civil Code of the Republic of Lithuania (hereinafter referred to as the Civil Code) and the legal acts implementing them, except where otherwise defined in the Contract.

1.3. In the Contract, the Customer and the Supplier shall be referred to as the ‘Party’ and collectively as the ‘Parties’.

1. **CONTRACT STRUCTURE AND INTERPRETATION**

2.1. This Contract consists of the General Conditions of the Contract and the Special Conditions of the Contract.

2.2. In the event of any conflict or inconsistency between the General Conditions of the Contract and the Special Conditions of the Contract, the provisions of the Special Conditions of the Contract shall prevail. In the event of any inconsistency or conflict between the annexes to the Special Conditions of the Contract, the first annex to the Special Conditions of the Contract in order of precedence shall prevail.

2.3. The Special Conditions of the Contract shall contain clauses that clarify, supplement, or specify the General Conditions of the Contract.

2.4. Documents which include the term Contract and which, in the event of a dispute, apply in the following order of priority:

* + 1. Special Conditions of the Contract;
    2. Annexes to the Contract (excluding the Tender);
    3. Procurement Documents;
    4. General Conditions of the Contract;
    5. The Tender and its explanations.

2.5. If a provision of the Contract is amended by agreement of the Parties, the newly agreed provision of the Contract shall prevail over the amended provision of the Contract. If the Parties agree to add a new provision to the provisions of the Contract, in the event of any inconsistency or ambiguity, such provision of the Contract shall prevail over the other provisions of the Contract.

2.6. In the Contract, where the context so requires, words in the singular may have a plural meaning, and vice versa.

2.7. Where an actual meaning differs in words and numbers, the meaning in words shall prevail. Where the currency abbreviation does not correspond to the full name of the currency in words, the full name of the currency in words shall prevail.

2.8. The duration of the Contract and other provisions shall be calculated in calendar days, unless otherwise specified in individual clauses of the Contract.

**3. REPRESENTATIONS AND ACKNOWLEDGEMENTS OF THE PARTIES**

3.1. The Parties represent and confirm to each other on the date of the Contract that:

3.1.1. The execution and performance of the Contract shall not violate any agreements with creditors and shall not contravene any legislation applicable to the Parties;

3.1.2. The Parties are solvent, their activities are not restricted, they are not subject to or expected to be subject to restructuring or liquidation proceedings, they have not suspended or restricted their activities, and they are not subject to bankruptcy proceedings;

3.1.3. The representatives of the Parties signing this Contract are duly authorised to sign this Contract and the personal data of the Parties and/or their representatives necessary for the proper conclusion and performance of the Contract shall not be considered confidential information;

3.1.4. The terms and conditions of the Contract shall be clear and enforceable by the Parties to the Contract.

3.2. The Supplier further confirms that:

3.2.1. It has made itself fully acquainted with all information relating to the subject matter of the Contract and necessary for the performance of its obligations under the Contract and for the provision of the Services, and such information is fully and completely sufficient to enable the Supplier to ensure the proper and full performance and quality of all obligations under the Contract;

3.2.2. It has all the authorisations, licences, qualifications, personnel, organisational and technical means, as well as all other necessary qualifications and competences required for the performance of its obligations under the Contract, as provided for by law;

3.2.3. It has included in the price of the Tender all costs necessary for the provision of the Services under the Contract and accepts the risk that circumstances beyond the control of the Customer may increase the Supplier’s costs of performing the Contract and/or make it more difficult for the Supplier to perform the Contract;

3.2.4. It undertakes to familiarise itself with all internal regulations provided by the Customer which are relevant to the proper performance of the Supplier’s obligations under the Contract and undertakes to comply with them properly.

3.3. If any of the Parties’ representations and/or statements contained in this Contract are found to be false and/or misleading, the Party shall indemnify the other Party against any loss suffered by the other Party because of such false and/or misleading representations and/or statements.

**4. PARTIES AND SUBJECT MATTER OF THE CONTRACT**

* 1. This Contract is concluded by the Parties referred to in the Special Conditions of the Contract: the Customer and the Supplier.
  2. The subject matter of this Contract shall be the Services specified in the Special Conditions of the Contract and described in the Technical Specification.
  3. The Supplier undertakes to provide the Services to the Customer under the terms and conditions set out in the Contract, at the Supplier’s own risk, with its own means and materials, and to transfer the result of the Services to the Customer, and the Customer undertakes to accept the Services duly provided by signing the Service Transfer and Acceptance Statement and to pay the price set out in the Contract for the Services in accordance with the terms and conditions and procedure set out in the Contract.
  4. The Services shall be provided within the time limit set out in the Special Conditions.

***This clause of the Contract applies if the option to purchase additional services is chosen in the*** ***Special Conditions of the Contract (clause 4.5):***

* 1. The Customer foresees the possibility to purchase services not specified in the Supplier’s Tender or in the Technical Specification, but which are related to the object of the procurement. Services not included in the list but related to the subject of the procurement may be purchased by the Customer up to a maximum of 10 (ten) per cent of the Initial Contract Value.

**5. RIGHTS AND OBLIGATIONS OF THE PARTIES**

5.1. **The Customer shall undertake:**

5.1.1. To accept the Services provided by the Supplier in accordance with the requirements set out in the Technical Specification, within the time and in accordance with the procedure set out in the Contract;

5.1.2. To inspect the Services within the period specified in the Contract, but not later than the date of signing of the Service Transfer and Acceptance Certificate, and to record the results of the inspection;

5.1.3. To pay the Supplier the price specified in the Contract for the Services accepted, in accordance with the terms and conditions and in accordance with the procedure specified in the Contract;

5.1.4. To cooperate with the Supplier: to provide the Supplier with the information and/or documents reasonably requested by the Supplier and in the possession of the Customer, which are necessary for the proper and timely performance of the Contract.

5.2. The Customer undertakes to duly perform other obligations provided for in the Contract and in the legislation in force in the Republic of Lithuania.

5.3. **The Customer shall have the right:**

5.3.1. To require the Supplier to fulfil the obligations specified in the Contract and in the legislation in force in the Republic of Lithuania in a proper and timely manner;

5.3.2. To inspect the process of provision of the Services insofar as it relates to the quality of the Services provided, to make comments and suggestions to the Supplier with respect to the provision of the Services. Any deficiencies noted by the Customer shall be recorded in writing (including by e-mail) and shall be corrected at the Supplier’s expense within a time limit specified by the Customer;

5.3.3. Not to pay invoices which do not comply with the European Electronic Invoicing Standard if they are not submitted by the Supplier by the means provided for in this Contract;

5.3.4. To deduct liquidated damages and other direct losses caused by the Supplier from amounts due to the Supplier, after prior written notice to the Supplier;

5.3.5. To suspend payments to the Supplier if the Supplier fails to perform or improperly performs any of its obligations under the Contract or under the law until such obligations have been duly performed;

5.3.6. To require the Supplier to replace the Supplier’s employee and/or Subcontractor or its employee who directly performs the obligations under the Contract, in accordance with the procedure set out in the Contract, if the person appointed to perform the Contract does not properly perform or breaches the obligations under the Contract;

5.3.7. To require the Supplier to provide all documents required by the Technical Specification and the Contract;

***The clauses of the Contract apply if the Special Conditions of the Contract, i.e., in clause 5.1, it is specified to apply to the requirements set out in Article 45(21)(3) of the Law to the services (clauses 5.3.8 and 5.3.9):***

5.3.8. During the term of the Contract, to request the Supplier to provide information and/or documents to demonstrate that the Services comply with the requirements set out in clause 5.5.14. of the Contract.

5.3.9. If it is established that the Services do not comply with the provisions of Article 5.5.14 of the Contract, to require the Supplier to replace the Services with the compliant ones.

5.4. The Customer shall have other rights provided for in the Contract and in the legislation in force in the Republic of Lithuania.

5.5. **The Supplier shall undertake:**

5.5.1. To provide the Services to the satisfaction of the Technical Specification within the time and in the manner specified in the Contract;

5.5.2. To perform the Services at its own risk and expense in a diligent and efficient manner, including, but not limited to, in accordance with the best generally accepted professional, technical standards and practices, using all available or required skills, knowledge and resources;

5.5.3. At the request of the Customer, to provide the Customer with any information or documents and/or a report on the progress of the Contract within the time limit specified by the Customer;

5.5.4. To act in good faith and reasonably in the provision of the Services in the best interests of the Customer, to co-operate closely with the Customer, to act in accordance with the Customer’s comments, to consider the quality and other technical requirements, and to notify the Customer in writing immediately of any deviations from the terms and conditions of the Contract, and to take immediate measures to remedy them;

5.5.5. To duly perform its obligations under the Contract, including rectifying any defects in the provision of the Services identified by the Customer at its own expense within the time limit specified by the Customer;

5.5.6. To inform the Customer in writing without delay, but not later than within 3 (three) working days from the moment of becoming aware of such circumstances, of any circumstances which prevent and/or may prevent the Supplier from fulfilling its contractual obligations within the terms and procedures set out in the Contract. Such notice shall not exclude the Customer’s right to claim liquidated damages under the Contract or other damages if the Services are not provided on time;

5.5.7. To comply with the requirements of laws and regulations in force in the Republic of Lithuania in the provision of the Services and to ensure that the employees of the Supplier or the Supplier’s Subcontractor (if any) comply with them. The Supplier shall indemnify the Customer and/or any third party in the event that the Supplier’s or its Subcontractor’s (if any) employees fail to comply with the requirements of laws or regulations and any claims or proceedings are brought in respect thereof;

5.5.8. To ensure that the Contract will be performed only by persons who are qualified to engage in the relevant activities, including the Subcontractor (if any), irrespective of whether the Supplier’s qualifications to engage in the relevant activities have been subject to verification or incomplete verification;

5.5.9. To indemnify the Customer, at its own expense, against any claims or losses arising from the acts or omissions of the Supplier or persons for whom the Supplier is responsible in the performance of the Contract, and to indemnify the Customer and/or third parties against any loss caused by such acts, including any breach of law or violation of the rights of any other person;

5.5.10. To ensure compliance with occupational safety, fire safety, environmental protection and other statutory requirements applicable to the provision of the Services;

5.5.11. Upon written request of the Customer, to return all documents received from the Customer for the performance of the Contract within 3 (three) working days or such other period as agreed by the Parties from the date of receipt of the request;

5.5.12. Not to use the Customer’s Service (brand) marks or name in any advertising, publications, etc. without the prior written consent of the Customer;

5.5.13. To ensure the confidentiality and protection of information received from the Customer during the performance of the Contract and related to the performance of the Contract;

***This clause of the Contract shall apply if the Special Conditions of the Contract, i.e., clause 5.1, is chosen to apply to the requirements set out in Article 45(21)(3) of the Law to the services (clause 5.5.14):***

5.5.14. During mobilisation, war, state of emergency, or when the Government of the Republic of Lithuania, having assessed the risk that the factors which have led to or may lead to the declaration of mobilisation, the imposition of martial law, or the imposition of a state of emergency, pose a threat to the national security, has taken a decision on the application of Article 45 (21)(3) of the Law, to ensure that the Services are not to be supplied from the countries or territories indicated in Article 45 (21)(3) of the Law.

5.6. The Supplier undertakes to duly fulfil other obligations provided for in the Contract and in the legislation in force in the Republic of Lithuania.

5.7. **The Supplier shall have the right to:**

5.7.1. To require the Customer to accept the Services provided in a qualitative and timely manner, in accordance with the requirements of the Contract, as well as the requirements set out in the legislation applicable to the provision of the Services, and to pay the price set out in the Contract, in accordance with the terms and conditions and in accordance with the procedure set out in the Contract;

5.7.2. To require the Customer to fulfil in due and timely manner other obligations specified in the Contract and in the legislation in force in the Republic of Lithuania;

5.7.3. To request the Customer to provide documents and/or other information in the possession of the Customer which are necessary for the Supplier to properly perform the obligations assumed by the Contract.

5.8. The Supplier has other rights specified in the Contract and valid legal acts of the Republic of Lithuania.

**6. CONTRACT PRICE AND terms of PAYMENT**

* 1. The method of calculation of the Contract Price and the Initial Contract Value are set out in the Special Conditions of the Contract.
  2. The Contract Price is inclusive of all taxes and all costs incurred by the Supplier covering everything necessary for the full and proper performance of the Contract (including the cost of invoicing by the means provided for in this Contract):
     1. the cost of procuring the materials or tools necessary to provide the Services;

6.2.2. transport costs;

6.2.3. the cost of salaries and/or wages for the Subcontractor;

6.2.4. all costs relating to the preparation, translation (if required) and submission of the documents provided for in the Technical Specification and the Contract;

6.2.5. training and consultancy costs for the Customer’s staff as specified in the Special Conditions of the Contract or the Technical Specification;

6.2.6. the cost of warranty or after-sales service for the period of warranty as specified in the Special Conditions of the Contract or the Technical Specification;

* + 1. other costs and charges relating to the provision of the Service and the performance of other obligations under the Contract.

6.3. Recalculation of the Contract Price (the relevant clauses shall apply in accordance with the cases of conversion provided for in the Special Conditions of the Contract):

***This clause shall apply when the Contract Price is subject to a recalculation due to a change in the VAT rate (clause 6.3.1):***

6.3.1. If, during the performance of the Contract, there are changes in the legislation governing the payment of VAT which directly affect the price of the Services provided by the Supplier in the Contract, the price of the Contract as stated in the Contract shall be recalculated upwards or downwards. The recalculation shall be formalised by an amendment to the Contract which shall become an integral part of the Contract. The recalculated Contract Price shall apply to that part of the Services for which the Invoice is invoiced under the new VAT. If the Supplier initiates the recalculation of the Contract Price due to a change (increase or decrease) in VAT, the Supplier shall contact the Customer in writing and provide specific calculations on the impact of the change in VAT on the Contract Price. The Customer shall also have the right to initiate a recalculation of the Contract Price as a result of a change in VAT.

***This clause shall apply when the Contract Price is subject due to changes in other charges that lead to a change in the price of the services (clause 6.3.1):***

6.3.2. If, during the performance of the Contract, there are changes in the legislation governing the payment of taxes that result in a change in the price of the services (e.g., changes in the minimum wage, changes in excise duties, etc.), the Contract price as stated in the Contract shall be recalculated upwards or downwards. The recalculation shall be formalised by an amendment to the Contract which shall become an integral part of the Contract. The Supplier initiating the revision of the Contract Price shall submit in writing a proposal for the revision of the Contract Price, together with the calculations made, and shall provide documentary evidence or references to official sources justifying that the conditions laid down in the Contract have arisen which allow the recalculation of the Contract Price.

***The clauses of the Contract shall apply where the Contract Price is to be recalculated in line with the general evolution of the price level or the change in the prices of the Services (clause 6.3.3):***

6.3.3. Either party shall have the right to initiate a recalculation of the fixed price/rates in accordance with the terms and conditions and procedures for recalculation set out in the Special Conditions:

6.3.3.1. When performing the recalculation, the Parties shall be guided by the data of the Indicators Database published by the Statistics Lithuania on the Official Statistics Portal, without requiring the other Party to submit an official document or confirmation issued by the Statistics Lithuania or any other institution, unless the Special Conditions of the Contract stipulate that a Party to the Contract must submit a document or confirmation issued by a relevant institution.

6.3.3.2. The Contract Price shall be deemed to have been recalculated when the Parties sign an agreement on its recalculation, which becomes an integral part of the Contract.

6.3.3.3. The revised price/rates shall apply to orders placed after the Parties enter into an agreement on the revision of the price/rates. The subsequent recalculation of prices/rates shall not cover a period for which a recalculation has already been made.

6.4 If the Contract Price has been revised in accordance with the price revision clauses set out in the Contract, the Initial Contract Value shall be adjusted accordingly (upwards or downwards).

6.5. For the purposes of the Contract, invoices shall be submitted electronically only. Electronic invoices conforming to the European Electronic Invoicing Standard, the reference of which is published in Commission Implementing Decision (EU) 2017/1870 of 16 October 2017 on the publication of the reference of the European standard on electronic invoicing and the list of its syntaxes pursuant to Directive 2014/55/EU of the European Parliament and of the Council (hereinafter referred to as the **European Electronic Invoicing Standard**), shall be provided by means of the Supplier’s choice. Electronic invoices that do not comply with the European Electronic Invoicing Standard may only be submitted by means of the Information System “E.sąskaita”. The Supplier must submit advance payment invoices (if the Contract provides for advance payment in Section 6 “Contract Price and Payment Procedure”) in accordance with the procedures set out in this clause of the Contract.

6.6. The Customer shall pay the Supplier for the Services duly and qualitatively rendered after the parties have signed the Service Transfer and Acceptance Statement and the Supplier has submitted an invoice in accordance with the procedure set out in the Contract, not later than within the term specified in the Special Conditions of the Contract, calculated from the date of the acceptance of the Invoice by the means provided for in clause 6.5 of the General Conditions of the Contract, by transferring the funds to the Supplier’s bank account specified in the Special Conditions of the Contract. The payment periods referred to in this clause may be extended by separate written agreement between the Parties in relation to third party financing, but in any event shall not exceed 60 (sixty) calendar days.

6.7. Where the Services provided under the Contract are to be paid for in stages or periodically, this shall be specified in the Special Conditions of the Contract, together with the procedure and conditions for payment in stages/periods for the Services provided under the Contract.

6.8. Payment Date means the date on which funds are debited from the Customer’s account. If the due date for payment falls on a holiday, the due date for payments under the Contract shall be the following working day.

6.9. The Parties fully assume the risk of any change (if any) in the exchange rate.

***The clauses of the Contract shall apply where the Special Conditions of the Contract provide for the payment of an advance (clauses 6.10 to 6.12):***

6.10. The Customer shall pay to the Supplier an advance payment not exceeding the amount of the advance as specified in the Special Conditions of the Contract as a percentage of the Initial Contract Value. The Supplier shall, not later than within 5 (five) working days from the date of signature of the Contract, submit an invoice for the advance payment and a guarantee for repayment of the advance payment – a guarantee from a bank registered in the Republic of Lithuania or abroad or a surety bond from an insurance company (insurance policy with confirmation of payment), stating the mandatory condition upon first demand (security conditions: the amount of the advance; the period of validity – the advance payment guarantee must be valid until the advance payment has been set off; an unconditional and irrevocable undertaking to pay the amount of the guarantee, without dispute, within a specified period of time, on receipt of the Customer’s first written demand for payment confirming (a) that the Supplier has not reimbursed the advance in accordance with the terms of the Contract, and (b) the amount which the Supplier has not reimbursed). The Supplier must agree in advance with the Customer the guarantee of a bank or surety letter of an insurance company registered in the Republic of Lithuania or abroad. The Customer shall pay the Supplier within the time limit set out in the Special Conditions of the Contract from the date of receipt of the invoice for the advance payment and the advance payment guarantee. The amount of the advance paid shall be deducted from the payment amount. In the event of non-performance or incomplete performance of the Contract, the amount of the advance paid and not set off shall be returned to the Customer. Should the bank or insurance company guaranteeing the repayment of the advance payment, whether incorporated in the Republic of Lithuania or abroad, become insolvent, declare its intention to cease to perform its obligations, or otherwise show that it will no longer be able to meet its obligations, the Customer shall have the right to require the Supplier to provide a new guarantee for the repayment of the advance payment, in accordance with the requirements of this clause of this Contract.

6.11. Where an advance has been paid, the balance of the Contract Price shall be payable on completion of all Services. Where the advance has not been paid (without the Supplier having requested or provided adequate security for repayment of the advance), the full Contract Price for the Services shall be payable after the Services have been performed.

6.12. Where the advance has been paid, payment for the Services shall commence when the full amount of the advance has been credited.

***The clause of the Contract applies when the option of additional purchase is selected in the Special Conditions of the Contract (clause 6.13):***

6.13. Services not included in the list of services but related to the subject-matter of the public procurement shall be paid for at the prices in force at the time of signing of the agreement/placing of the order, as indicated in the Supplier’s point of sale, catalogue or website, or, if such prices are not published, at the prices offered by the Supplier, which are competitive and in line with the market.

***The clauses of the Contract apply where the Special Conditions of the Contract set out the pricing for the reimbursement of the costs of performance of the Contract (clauses 6.14 to 6.16):***

6.14. The Contract shall provide for specific costs to be included in the price payable to the Supplier under the Contract. The Supplier shall, upon request by the Customer, provide third-party documentation in support of the costs within a time limit set by the Customer.

6.15. Services not included in the list of services but related to the subject matter of the Contract will be paid for at prices no higher than market-conforming prices.

6.16. The Supplier’s profit cannot be included in the costs actually incurred.

**7. ADDITIONAL PERFORMANCE SECURITY**

***The provisions of this section shall apply where the Special Conditions of the Contract require the Supplier to provide at least one of the additional forms of security*** ***referred to in this section to ensure the proper performance of the Contract.***

7.1. The method and value of the performance security shall be specified in the Special Conditions of the Contract.

7.2. The Supplier must provide a bank guarantee or a letter of guarantee from a bank or insurance company registered in the Republic of Lithuania or a foreign country, together with a policy (with proof of payment), as an independent claim, to ensure the fulfilment of the obligations under the Contract, no later than 5 (five) working days after the signature of the Contract, or the other time limit set out in the Special Conditions of the Contract. The Supplier may also use other means of securing the performance of the Contract, provided that they are specified as appropriate in the Procurement Documents.

7.3. The performance security shall be unconditional and irrevocable and shall remain in force until at least the 30th (thirtieth) calendar day after the expiry of the latest time limit for the performance of the contractual obligations under the Contract.

7.4. If the Supplier fails to provide the performance security within the period specified in the Contract, the Contract shall not enter into force and the Supplier shall be deemed to have refused to conclude the Contract.

7.5. The performance security is intended to ensure the fulfilment of all the Supplier’s contractual obligations, including, but not limited to the payment of liquidated damages (if provided for in the Special Conditions of the Contract). If the Contract is terminated for any reason, the performance security may be used to recover any monies due from the Supplier to the Customer. The performance security may be exercised by the Customer irrespective of termination of the Contract.

7.6. The Customer may use the performance security in any of the following circumstances:

7.6.1. The Supplier fails to perform or does not properly perform its obligations under the Contract;

7.6.2. The Supplier fails to comply with the Customer’s instruction to remedy the deficiencies in the Services within a reasonable period of time;

7.6.3. If the Customer has suffered any loss (including, without limitation, additional costs, loss of revenue or other direct or indirect loss, interest and/or penalties (if provided for in the Special Conditions of the Contract)) as a result of any action (act or omission) by the Supplier;

7.6.4. The Supplier has unilaterally terminated the Contract without justifiable cause (other than in cases provided for in the Contract).

7.7. In the event of an extension of the Supplier’s contractual obligations, the Supplier shall, at its own expense, extend the term of validity of the bank guarantee or letter of guarantee of the insurance company submitted to secure the performance of the Contract at the latest before the expiry of the term of validity of the security and shall submit the same to the Customer within 3 (three) working days from the date of the extension. The Supplier shall ensure that the extension of the term of the performance security does not lead to a period of unsecured performance of the Supplier’s obligations.

7.8. The performance security and/or the document evidencing the security shall be returned to the Supplier within 5 (five) working days of the Supplier’s written request if the Supplier has fulfilled all contractual obligations in a timely and proper manner, or if the performance security has become unnecessary for other reasons.

7.9.Where the duration of the Contract is longer than (1one) year, the Supplier may provide a performance security of the same value as specified in the Special Conditions of the Contract for a period of not less than 1 (one)year, but not for the full duration of the Contract. In this case, the Supplier must extend the validity of the performance security no later than the expiry of the term of the performance security provided. A breach of the procedure for the extension of the validity of the performance security (where the performance security has been provided for a shorter period than the validity of the Contract) shall constitute **a material breach of the Contract.**

**8. SERVICE QUALITY, TRANSFER AND ACCEPTANCE PROCEDURES**

8.1. The result of the provision of the Services shall be handed over to the Customer by the parties to the Contract by signing a Services Transfer and Acceptance Statement, which shall be signed in 2 (two) copies of equal legal force, one for each party.

8.2. If the object of the Contract does not require a separate document for the transfer of the Services, the Parties agree that the invoice duly authorised by the Parties and signed by the duly authorised persons of the Parties shall be deemed to be the statement of the transfer of Services.

8.3. The Supplier shall, upon completion of its obligations under the Contract, contact the Customer for the transfer of the result of the Services to the Customer and the signing of the Services Transfer and Acceptance Statement. The Customer undertakes to accept the Services duly and timely provided by signing the Services Transfer and Acceptance Statement no later than within 5 (five) working days from the date of the Supplier’s request, or to point out any deficiencies in the Services provided to the Supplier within this time limit. After the signing of the Services Transfer and Acceptance Statement by both Parties to the Contract, the Supplier shall be obliged to submit an invoice in accordance with the procedure laid down in the Contract within a maximum of 2 (two) calendar days, provided that the Invoice shall not be comparable to a Services Transfer and Acceptance Statement pursuant to clause 8.2 of the General Conditions of the Contract.

8.4. If, during the performance of the Services and/or the transfer and acceptance of the Services, it is found that the Services have not been performed properly and that the result of the Services does not comply with the requirements set out in the Contract and/or the Technical Specification, the Customer shall have the right to refuse to sign the Services Transfer and Acceptance Statement by indicating in writing to the Supplier the defects in the Services provided (if possible, indicating the measures that the Supplier shall take to ensure that the quality of the Services complies with the requirements of the Contract and/or the Technical Specification and that the Services Transfer and Acceptance Statement is signed). The Supplier shall, upon receipt of the Customer’s notice referred to in this clause of the Contract, be obliged to remedy, at the Supplier’s own expense, the breaches/non-compliances referred to in the Contract within a reasonable period specified by the Customer.

8.5. If the Supplier fails to remedy any deficiencies in the Services within the period specified by the Customer, the Customer shall have the right to refuse to accept and pay for the Services subsequently delivered, and to give the Supplier a notice of non-acceptance.

8.6. Together with the Services Transfer and Acceptance Statement, the Supplier shall provide the Customer with all the documents (the documents must be in the original language and must be accompanied by a translation into the Lithuanian language, certified by the signature of the translator and the stamp of the translation bureau), which are necessary for the use of the results created during the provision of the Services (if applicable).

8.7. The Supplier guarantees the quality of the Services and the absence of latent defects at the time of signing the Services Transfer and Acceptance Statement. The quality of the Services must comply with the requirements set out in the Tender, the Contract and the Technical Specification, as well as with the requirements of the legislation governing the quality of the Services.

8.8. The Supplier shall be liable for any non-conformity with the quality requirements of the result produced by the Services at the time of the transfer of the Services to the Customer, even if such non-conformity becomes apparent later. If the Customer discovers defects in the Services which it did not discover when it accepted the Services, the Customer must notify the Supplier of the defects. Upon notification, the Supplier shall remedy the defects within a reasonable time specified by the Customer. If the Supplier fails to remedy the deficiencies in the Services notified by the Customer within the reasonable period of time, the Customer shall be entitled to remedy such deficiencies at its own expense and to claim from the Supplier the costs incurred by the Customer in remedying the deficiencies and to indemnify the Customer for any losses incurred by the Customer as a result of the deficiencies identified in the Services provided by the Supplier.

***The clause applies where the Special Conditions of the Contract provide for the provision of Services in phases/periodically (clause 8.9):***

8.9. In the case of phased/periodic provision of the Services, the following procedures shall apply for the provision, transfer and acceptance of the Services:

8.9.1. A phase/period of Services shall be accepted by both Parties upon signing of the Services Transfer and Acceptance Statement or an invoice in accordance with clause 8.2 of these Conditions.

8.9.2. The Customer shall sign the Services Transfer and Acceptance Statement provided that all phases have been accepted. Upon completion of the Services, a final report of the Services provided shall be submitted to the Customer and, subject to its approval, a final Services Transfer and Acceptance Statement provided shall be signed (*applicable in the case of phased Services*).

8.9.3. The time limit for the performance of any phase of the Services in relation to the provision of the previous phase of the Services shall not be extended if the Customer fails to sign the Transfer and Acceptance Statement for the previous stage of the Services due to the fault of the Supplier (*applicable in the case of phased services*).

8.9.4. If the Customer submits comments on the documents relating to the performance of a phase/period, the procedure for submission and rejection of the documents relating to the performance of the phase/period may be repeated until the necessary corrections have been made to take account of any reasoned comments by the Customer and the phase/period has been properly performed, notwithstanding the calculation of liquidated damages.

**9. INTELLECTUAL PROPERTY RIGHTS**

9.1. The provisions of this Section shall apply where the provision of the services results in the creation of an intellectual property right and where the copyright in the intellectual property right is transferred to the Customer.

9.2. Unless otherwise agreed in the Special Conditions of the Contract, the Supplier, by transferring the Services (by signing the Statement of Transfer and Acceptance of the Services provided), undertakes to transfer to the Customer the economic copyrights provided for in the legislation of the Republic of Lithuania to all the results of the Services created by the Supplier (including the Subcontractors engaged by the Supplier) in the performance of the Contract, from the moment of signing of the Services Transfer and Acceptance Statement for the full period of the validity of the copyright or any other intellectual property right provided for in the legislation, not limited to the territory of any country. The Supplier shall not be entitled to publicly distribute the results of the Services provided to the Customer without the prior written consent of the Customer.

9.3. The Supplier shall indemnify the Customer against any claims arising out of any infringement of copyright, patents, licences, drawings, designs, names of the Services/goods or trademarks of the Services/goods or any other intellectual property right by the Supplier during performance of the Contract.

**10. LIABILITY OF THE PARTIES**

10.1. The liability of the Parties to the Contract shall be specified in line with the legal acts of the Republic of Lithuania in force and the present Contract. The Parties undertake to duly perform their obligations under the Contract and to refrain from any action that might prejudice each other or impede the fulfilment of the obligations undertaken by the other Party to the Contract.

10.2. If the Customer fails to pay the Supplier on time due to the Customer’ fault, the Supplier shall be entitled to claim a default interest of 0.02 (two hundredths) per cent (unless the Special Conditions of the Contract provide for a different amount of interest/penalty) on the amount of the late payment for each calendar day of the delayed payment.

10.3. If the Supplier fails to perform, improperly performs or is late in performing its contractual obligations within the time limits specified in the Contract and/or the Technical Specification, the Supplier shall, upon the written request of the Customer, pay a default interest of 0.02 (two hundredths) per cent (unless the Special Conditions of the Contract provide for a different rate of default interest/penalty) on the defaulted obligations or the Initial Contract Value as specified in the Special Conditions of the Contract for each day of the period for which it has been late in performing or remedying the defaulted contractual obligations. The liquidated damages may be deducted by the Customer from the amounts payable to the Supplier under the Contract.

10.4. Payment of liquidated damages shall not relieve the parties to the Contract of their obligation to perform their obligations under the Contract.

10.5. In the event of termination of the Contract due to a material breach of the Contract by the Supplier, the Supplier shall be liable to pay a penalty as specified in the Special Conditions of the Contract, which shall be deemed to be the Customer’s minimum damages. Payment of the penalty shall not be deemed to constitute full compensation for the losses incurred by the Customer and shall not relieve the Supplier of its obligation to fully compensate for them. The Customer shall be entitled to deduct the penalty from amounts due to the Supplier and, if no amounts are due, the Supplier shall be obliged to pay the penalty within 5 (five) working days of receipt of the Customer’s written demand.

10.6. If the Supplier, in the performance of the Contract, fails to comply with the requirements of the applicable legislation or fails or improperly performs its obligations under this Contract, and as a result of this, fines or other sanctions are imposed on the Customer by any third party (competent authorised public authorities or organisations, etc.) and/or the Customer suffers losses, the Supplier undertakes to indemnify the Customer against all direct and indirect losses or damages and additional costs incurred by the Customer in consequence.

10.7. The Supplier shall in all cases be liable for any loss or damage caused by persons engaged by the Supplier in the course of the provision of the Services, whether such loss or damage is caused to the Customer, to its employees or to any third parties and their property.

10.8. If the Supplier fails to fulfil its contractual obligations, the Customer shall be entitled, without prejudice to any other remedies provided for in the Contract and in the law, to make a unilateral deduction for non-performance from all sums payable to the Supplier under the Contract (by written notice to the Supplier), and, in the event of insufficient sums being so paid, from the performance securities provided by the Supplier (by written notice to the Supplier), for the payment of the liquidated damages referred to in the Contract and for any loss it may have incurred. This provision shall apply notwithstanding the termination of the Contract and the imposition of other sanctions.

10.9. The Parties agree that the liquidated damages provided for in the Contract shall not be unreasonably high but shall be deemed to be fair and minimum undisputed damages to the aggrieved Party for any loss sustained as a result of the breach of the Contract by a Party.

**11. FORCE MAJEURE**

11.1. Either Party shall be released from liability for non-performance of the Contract if it can prove that failure to perform the obligations under this Contract resulted from circumstances that were beyond its control and could not be reasonably foreseen by the Party upon signing the Contract, and it was unable to preclude such circumstances or their consequences (Force Majeure).

11.2. Force majeure shall be deemed to be the circumstances referred to in Article 6.212 of the Civil Code and in the Rules on Exemption from Liability in the Event of Force Majeure, approved by Resolution No.840 of the Government of the Republic of Lithuania of 15 July 1996 “On the Approval of Rules on Exemption from Liability in the Event of Force Majeure”.

11.3. A Party that is unable to perform its obligations under the Contract due to the operation of force majeure shall notify the other Party in writing within 10 (ten) days of the commencement of such circumstances.

11.4. Upon termination of the Force Majeure circumstances, the obligations of the Parties under the Contract shall continue to be performed, unless the Parties agree otherwise.

11.5. If the Force Majeure circumstances last for more than 30 (thirty) calendar days, then the Party shall have the right to terminate the Contract by giving 30 (thirty) calendar days’ notice to the other Party. If, at the end of this 30 (thirty) calendar day notice period, the Force Majeure circumstances still persist, the Contract shall be terminated and the Parties shall be excused from further performance of the Contract in accordance with its terms.

**12. VALIDITY, TERMINATION AND EXTENSION OF THE CONTRACT**

12.1. The Contract shall enter into force after it has been signed by both Parties and the Supplier has provided the necessary security for performance of the Contract (if the Special Conditions of the Contract stipulate that performance of the Contract shall be secured by a guarantee of a bank registered in the Republic of Lithuania or a bank registered abroad, or a guarantee of an insurance company) and shall be valid until full performance of the contractual obligations by the Parties or until termination of the Contract in cases stipulated in the Contract or the law.

12.2. If any provision of this Contract becomes or is held to be invalid, either in full or in part, this shall not affect the validity of other provisions of the Contract.

12.3. A Party shall have the right to request the other Party to suspend the performance of the Services under the Contract within a period of no later than 3 (three) working days (or, in the event of force majeure, within the period referred to in clause 11.3) in the circumstances referred to in clause 12.4 of the Contract and to provide details of the circumstances leading to the suspension of the period for performance of the Services.

12.4. The provision of the Services may be suspended and/or the time limit for the provision of the Services may be postponed in any of the following circumstances for a period not exceeding the duration of the specified circumstances:

12.4.1. In the event of the circumstances set out in Section 11 “Force Majeure”, the time limits for performance of the Contract shall be suspended from the moment of the occurrence of the impediment or, if not notified in due time, from the moment of the notification, and shall be resumed when the said circumstances no longer prevent the Contract from being performed;

12.4.2. In the event of any delay, hindrance or obstruction caused by the Customer;

12.4.3. In the event of any delay, hindrance or obstruction caused to the Supplier by third parties other than the Supplier’s failure to provide the Services in a timely manner or in accordance with the terms and conditions of the Contract;

12.4.4. If any provision of this Contract becomes or is held to be invalid, either in full or in part, this shall not affect the validity of other provisions of the Contract.

12.4.5. If material breaches of the Contract are deemed to render the Contract void, to verify whether material breaches of the Contract have in fact occurred. If the suspicions are not confirmed, the Contract shall be reinstated;

12.4.6. The necessity to suspend the Contract has arisen due to the suspension of the funding allocated to the Customer for the purchase of the Services.

12.5. In the event of the occurrence of the circumstances provided for in clause 12.4 of the Contract and if the Customer considers the circumstances referred to by the Supplier (if the request for suspension of the provision of the Services provided for in the Contract is made by the Supplier) to be justified and beyond the Supplier’s control, the Customer shall take a decision on the suspension of the deadline for the performance of the Services, and shall inform the Supplier in writing within 5 (five) working days of the occurrence of the circumstances provided for in clause 12.4 of the Contract and/or receipt of the Supplier’s request for the suspension of the Services provided for in the Contract.

12.6. The Supplier shall suspend the provision of the Services or any part thereof immediately, but not later than within 1 (one) working day, upon receipt of a written notice from the Customer requesting the suspension of the provision of the Services under the Contract.

12.7. The Parties agree that the period of suspension of the provision of the Services under the Contract shall not be counted as part of the term of the Contract, the Services shall not be provided during the period of suspension, and the Customer shall not pay any periodic payments, penalties, or downtime to the Supplier in respect of the suspension period. The Parties further agree that the suspension of the Services shall not constitute a termination of the Contract.

12.8. Extension or renewal of the term of performance of the Services shall be formalized by a written agreement of the Parties, which shall become an integral part of the Contract.

12.9. The term of performance of the Services may be extended in the following cases:

12.9.1. when the circumstances referred to in clause 12.4 cease to exist;

12.9.2. where additional Services are anticipated to be available for purchase under this Contract and this requires an extension of the time for performance of the Services;

12.9.3. where an extension of the time for performance of the Services is required due to decisions of the authorities, changes in legislation, acts or omissions of the Customer and other circumstances specified in the Special Conditions of the Contract, which result in an extension of the time for performance of the Services.

***The clause of the Contract applies if the Services are to be provided by a specific date (clause 12.10):***

12.10. The Parties shall have the right to resume (after the suspension of the Services) and/or extend the provision of the Services under the Contract in the cases set out in the Contract by giving written notice to the other Party. If the Parties agree to extend the term of provision of the Services as provided for in clause 2.1 of the Special Conditions of the Contract, it shall be extended for the period and on the terms and conditions as provided for in clause 8.1 of the Special Conditions of the Contract, or for the period of time for which the provision of the Services (performance of the Contract) was suspended.

***The Contract clause applies if the Services are to be provided within a specific time limit (clause 12.11):***

12.11. The Parties shall have the right to resume (after the suspension of the Services) and/or extend the provision of the Services provided for in the Contract in such cases as may be provided for in the Contract by written notice to the other Party. If the Parties agree to extend the term of the Contract as provided for in clause 2.1 of the Special Conditions of the Contract, it shall be extended for the period and on the terms and conditions provided for in clause 8.1 of the Special Conditions of the Contract, or it shall be renewed for the period of time remaining for the provision of the Services (the Contract performance) prior to the suspension.

12.12. In cases other than those provided for in this Section, the Contract may be extended only in accordance with the provisions of Article 89 of the Law.

**13. TERMINATION OF AND AMENDMENTS TO THE CONTRACT**

13.1. This Contract may be terminated:

13.1.1. by mutual written agreement of the parties (except in the event of a material breach of the Contract);

13.1.2. in the cases and according to the procedure set out in the Contract;

13.1.3. in other cases established by the Civil Code and/or the Law.

13.2. The Customer may unilaterally terminate the Contract, without recourse to court, by giving 10 (ten) calendar days’ written notice to the Supplier if:

13.2.1. the Supplier is subject to restructuring or bankruptcy proceedings, the Supplier is being liquidated, the Supplier suspends its business activities, or a similar situation arises in accordance with the procedure laid down by law or other legal acts, and these circumstances hinder the proper and timely fulfilment of the obligations assumed under the Contract;

13.2.2. in the event of a material breach of the Contract as provided for in the Contract and/or the Civil Code and the Special Conditions of the Contract.

13.2.3. the Contract has been modified in breach of Article 89 of the Law;

13.2.4. it has come to light that the Supplier with whom the Contract has been concluded should have been excluded from the procurement procedure in accordance with Article 46 of the Law.

13.2.5. it has come to light that the Supplier should not have been awarded the Contract due to the fact that the Court of Justice of the European Union, in proceedings pursuant to Article 258 of the Treaty on the Functioning of the European Union, has declared that the obligations under the Treaties establishing the European Union and Directive 2014/24/EU have not been fulfilled.

***The clause of the Contract applies if the Customer has reserved the right to participate in the procurement procedure to the suppliers referred to in Articles 23 or 24 of the Law) (clause 13.2.6):***

13.2.6. The Supplier (or at least one of the Supplier’s participants, where the Supplier is a group of economic operators) has lost the status referred to in Article 23 or 24 of the Law, or a Subcontractor has lost such status, and the Supplier is unable to replace such a Subcontractor with another eligible Subcontractor and cannot perform the Contract without the Subcontractor itself.

***This clause of the Contract applies if the Customer performs activities in the field of defence, operates critical information infrastructure or operates in areas considered to be part of economic sectors of strategic importance for national security (clause 13.2.7):***

13.2.7. The Government of the Republic of Lithuania, in accordance with the procedure established by the Law on the Protection of Objects of Importance to Ensuring National Security, adopts a decision confirming that the Contract (amendment thereto) is considered to pose a risk or is not in the interests of national security.

***The clause of the Contract applies if the Customer operates in the field of defence, manages critical information infrastructure, operates in areas considered to be part of sectors of the economy strategically important for national security or is included in the list of users of the Safety Net, and the services to be procured are included in the list of procurements for which the object codes of the CPCs are specified in Article 92(13) of the Law (clause 13.2.8):***

13.2.8. During the performance of the Contract, it becomes apparent that the Contract/amendment thereof is a threat to national security as defined in the Public Procurement Law. During the term of the Contract, if the Customer suspects or receives relevant information that the Contract (amendment) constitutes a threat to national security, the Customer shall verify and request the Supplier to provide the relevant documentation to confirm or deny the information referred to in this sub-clause.

***This clause of the Contract applies only in the case of an International Procurement (clause 13.3):***

13.3. The Customer may unilaterally terminate the Contract, without recourse to the courts, by giving the Supplier at least 5 (five) calendar days’ written notice of termination of the Contract in accordance with the grounds set out in Council Regulation (EU) No 2022/576 of 8 April 2022 amending Regulation (EU) No 833/2014 concerning restrictive measures in view of the actions of Russia.

13.4. The Supplier may unilaterally terminate the Contract, without recourse to court, by giving the Customer at least 20 (twenty) calendar days’ written notice of termination if the Customer, through no fault of the Supplier or due to force majeure, delays in payment for more than 30 (thirty) calendar days, or commits any other material breach of the Contract, as provided for in the Civil Code.

13.5. The Customer shall have the right to unilaterally terminate the Contract, without fault on the part of the Supplier, by giving the Supplier at least 30 (thirty) calendar days’ notice, notwithstanding the fact that the Supplier has already started to perform it. In this case, the Customer shall be obliged to pay the Supplier for the services performed prior to the termination of the Contract in accordance with the terms of the Contract and to reimburse the Supplier for any other reasonable expenses incurred by the Supplier in order to perform the Contract up to the time of receipt of the notice of termination from the Customer.

13.6. The terms of the Contract may be amended during the term of the Contract in accordance with the procedures and in the cases set out in the Contract and in the Law. An amendment to the Contract shall be valid only if it is made by written agreement of the Parties to the Contract. The agreements of the Parties on the amendment of the Contract shall become an integral part of the Contract.

13.7. An amendment to the terms of the Contract shall not be considered an adjustment of the terms of the Contract in the cases provided for in the Contract, provided that the terms of the amendment have been clearly, precisely and unambiguously formulated in the Procurement Documents.

13.8. The Party initiating an amendment to the Contract shall submit to the other Party a written request to amend the terms of the Contract and the documents supporting the circumstances, arguments and explanations referred to in the request, or copies thereof. The other Party shall respond to the submitted request to amend the relevant provision of the Contract within 5 (five) working days. In the event of disagreement between the Parties on the modification of the terms and conditions of the Contract, the Contract shall not be modified, except as provided for in clause 6.3.3 of the General Conditions of the Contract. A Party may not refuse to recalculate the Contract Price provided that the conditions for recalculation set out in the Special Conditions of the Contract are met. Where the Parties mutually agree to modify the terms of the Contract, the modifications shall be formalised by agreement between the Parties and shall form an integral part of the Contract.

13.9. Termination of the Contract shall not exclude the right to claim liquidated damages provided for in the Contract for non-performance or improper performance of contractual obligations prior to the termination of the Contract, and to claim damages for losses incurred because of non-performance or improper performance of the obligations under the Contract as provided for in the provisions of the Contract.

13.10. If the Customer suspends the provision of the Services for more than 60 (sixty) days through no fault of the Supplier and not due to circumstances beyond the Supplier’s control, the Supplier may, by written notice to the Customer, request permission to resume the provision of the Services within 30 (thirty) calendar days, and, failing such permission, terminate the Contract by written notice to the Customer.

13.11. If the provision of the Services is suspended for more than 90 (ninety) days, either Party may unilaterally terminate the Contract by notifying the other Party in writing in accordance with the procedure set out in the Contract.

**14. USING AND CHANGING SUBCONTRACTORS**

14.1. For the performance of the Contract, the Supplier shall use the following subcontractors specified in its Tender: Sub-suppliers whose qualifications are relied upon by the Supplier, other Sub-suppliers (whose qualifications are not relied upon) indicated in the Tender and known at the time of conclusion of the Contract, other economic operators whose capacities are relied upon by the Supplier (for which the procedure for substitution of Sub-suppliers shall apply), and shall be identified by the Supplier in the Special Conditions of the Contract.

14.2. The Supplier shall be liable for all obligations under the Contract, regardless of whether Subcontractors are used to perform them.

14.3. Upon conclusion of the Contract, but no later than the commencement of performance of the Contract, the Supplier undertakes to inform the Customer of the names, contact details and representatives of the Subcontractors then known to it. The Customer shall also require the Supplier to inform the Customer in writing or by e-mail of any changes to the above information throughout the performance of the Contract, as well as of any new Subcontractors it intends to use later, and to obtain the Customer’s written consent. These Subcontractors shall not be requested to submit a European Single Procurement Document (hereinafter referred to as the ESPD) and shall not be subject to any grounds for exclusion.

14.4. The Supplier shall not be entitled to change Subcontractor without the written consent of the Customer. If the Supplier changes a Subcontractor without the Customer’s written consent, the Supplier shall be liable to pay to the Customer the penalty set out in the Special Conditions of the Contract. Repeated failure to comply with this clause of the Contract shall be considered **a material breach of the Contract**, except for the replacement of Subcontractors who have not been subject to the qualification requirements, or who have not been used to satisfy the qualification requirements.

14.5. The change of Subcontractors or the use of new Subcontractors shall only be possible when the Supplier submits to the Customer a reasoned request for the change of the Subcontractor referred to in the Contract or the use of a new Subcontractor, new or replacement Subcontractor referred to in clause 14.1. of the Contract, documents substantiating compliance with the qualification requirements set out in the Procurement Documents and documents confirming the absence of grounds for exclusion of the Subcontractor (if the Procurement Documents have imposed qualification requirements on the Subcontractors as part of the contractual obligations assumed, or if the Subcontractor is used to meet the qualification requirements, or if the Procurement Documents require verification of the grounds for exclusion of the Subcontractor), and obtain the Customer’s written consent to the replacement of the selected Subcontractor or the use of the new Subcontractor. Where the Customer agrees in writing to the change of Subcontractor or the use of a new Subcontractor, the Customer shall, together with the Supplier, conclude a written agreement on the change of the Subcontractor or the use of a new Subcontractor, which shall be signed by the Parties (if such Subcontractor was subject to the qualification requirements in the Procurement Documents or is used to meet the qualification requirements as part of the contractual obligations undertaken by such Subcontractor). This agreement shall form an integral part of the Contract.

14.6. If a Subcontractor for which the Customer has awarded additional value for money points in the evaluation of the Tender is substituted, the Supplier may only propose a Subcontractor whose qualifications are at least as good as those of the Subcontractor to be replaced.

14.7. If the Customer has reasonable grounds for suspecting that the Subcontractor is not competent to perform the duties imposed, it may require the Supplier to find another Subcontractor that does not meet the grounds for exclusion set out in the Procurement Conditions and has qualifications that meet the qualification requirements set out in the Procurement Documents (if the Procurement Documents have imposed qualification requirements on Subcontractors as part of the contractual obligations undertaken). The Customer shall request the Supplier in writing to change this Subcontractor, stating the reasons. The Supplier, upon receipt of the Customer’s request to change the Supplier’s Subcontractor, shall be obliged to propose another Subcontractor for the performance of the Contract within a reasonable period, but not exceeding 14 (fourteen) days, and to obtain the Customer’s consent to its appointment. If the Customer agrees to the replacement of the Subcontractor, the Customer shall, together with the Supplier, enter into a written agreement on the replacement of the Subcontractor which shall be signed by the parties. This agreement shall form an integral part of the Contract.

14.8. If the Supplier, through no fault of the Customer, fails to appoint another Subcontractor with at least the same qualifications in its place within 15 (fifteen) calendar days from the date on which it becomes apparent that the Subcontractor is incompetent to carry out the specified duties (provided that qualification requirements were set out in the Procurement Documents for the Subcontractor in accordance with the part of the contractual obligations entered into), it shall be deemed to be a **material breach of the Contract** and the Customer shall have the right to unilaterally terminate the Contract and to invoke any other remedies provided for by the Contract.

14.9. If the Subcontractors so request, the Customer will pay them directly. The Customer shall inform the Subcontractor of this possibility by a separate notice within 3 (three) calendar days from the date of receipt of the information from the Supplier on the use of the Subcontractor. To make use of the direct settlement option, the Subcontractor shall inform the Customer in writing within 5 (five) calendar days at the latest. In this case, a tripartite contract will be concluded with the Customer, the Supplier and the Subcontractor, setting out the arrangements for direct settlement with the Subcontractor:

14.9.1. The Subcontractor shall submit a request to the Customer for direct payment by the Customer and shall initiate the conclusion of a tripartite contract between the Subcontractor, the Customer and the Supplier. The contract shall be concluded at the latest before the first settlement by the Customer with the Subcontractor. This contract shall specify the Supplier’s right to object to unjustified payments and the arrangements for direct settlement with the Subcontractor, taking into account the requirements laid down in the procurement documents and the subcontracting agreement;

14.9.2. The Subcontractor shall agree the invoice with the Supplier before submitting it to the Customer. The agreement shall be deemed to be satisfactory when the Subcontractor’s invoice has been approved in writing by the Supplier’s responsible representative, as specified in the tripartite contract. Payments made by the Customer to the Subcontractor in respect of invoices submitted by the Subcontractor shall reduce the amount payable by the Customer to the Supplier in accordance with the terms and conditions of the Contract. Accordingly, the Supplier shall exclude from its invoices to the Customer, when issuing and submitting invoices to the Customer, the amounts of invoices submitted directly by the Subcontractor to the Customer and approved by the Supplier;

14.9.3. direct payment to the Subcontractor shall not relieve the Supplier from its obligations under the Contract;

14.9.4. settlements with the Subcontractor shall be made at the prices specified in the tripartite contract;

14.9.5. if, at the time of direct settlement, it is found that the actual quantities/volumes/amounts payable specified by the Subcontractor do not correspond to those specified in the Contract, the risk of settlement shall be borne by the Supplier and the discrepancies shall be eliminated at the Supplier’s expense.

**15. THE USE AND REPLACEMENT OF PROFESSIONALS/EMPLOYEES ASSIGNED TO THE PERFORMANCE OF THE CONTRACT**

15.1. The Contract shall be performed by the professionals/employees indicated in the Supplier’s Tender.

15.2. The Supplier shall not be entitled to change the professionals/employees indicated in its Tender without the written consent of the Customer. A change of specialists/employees without the Customer’s written consent shall be considered **a material breach of the Contract**.

15.3. The Supplier must inform the Customer in writing no later than the next working day after becoming aware of the fact that a specialist/employee approved by the Customer is unable to perform the Contract (due to illness, termination of employment, etc.). The newly engaged or substituted professional shall have qualifications not lower than those specified for the professional concerned in the Procurement Documents (if qualification requirements were specified in the Procurement Documents). The Supplier shall inform the Customer in writing of the proposed candidate to replace the specialist/employee to be replaced, together with the necessary documentation to support the candidate’s qualifications. If the Customer agrees to the replacement of the professional/employee or the engagement of a new professional/employee, the Customer shall, together with the Supplier, conclude a written agreement on the replacement of the professional/employee or the engagement of a new professional/employee, which shall be signed by the parties. This agreement shall form an integral part of the Contract. If a professional/employee is being replaced for whom the Customer has awarded additional value for money points in the evaluation of the Tender, the Supplier may only propose a professional/employee whose qualifications are at least equal to those of the professional/employee being replaced.

15.4. The Customer shall have the right to initiate the replacement of a professional/employee who is not properly performing the duties provided for in the Contract, stating the reasons for such request. The Supplier, upon receipt of a request from the Customer for a change of the appointed professional/employee as referred to in this clause of the Contract, shall have the obligation to appoint another professional/employee within a reasonable period of time, but not exceeding 14 (fourteen) calendar days, or to procure the Subcontractor to appoint another professional/employee to perform the Contract, who shall meet the qualification requirements set out in the Procurement Documents (if qualification requirements have been specified in the Procurement Documents). Before appointing a new professional/employee, the Supplier shall inform the Customer of the appointment and provide the Customer with documents confirming the qualifications of the professional/employee. If the Customer accepts the newly proposed professional/employee, the Parties shall enter into a written agreement on the replacement of the professional/employee. This agreement shall form an integral part of the Contract.

15.5. If the Supplier, through no fault of the Customer, fails to appoint another person with the same or higher qualifications to replace the professional/employee within 14 days from the date on which the professional/employee becomes unavailable for the performance of the Contract, it shall be deemed to be a **material breach of the Contract** and the Customer shall be entitled to unilaterally terminate the Contract and to pursue any other remedies provided for by the Contract.

**16. WARRANTY OBLIGATIONS**

16.1. The term of the warranty obligations for the Services is set out in the Civil Code of the Republic of Lithuania and Directive 1999/44/EC of the European Parliament and of the Council of 25 May 1999. The warranty period for all Services or parts thereof shall take effect from the date of delivery of the duly provided Services or parts thereof to the Customer.

16.2. The warranties shall not apply if the defects in the Services are caused by the Customer’s failure to follow the instructions for servicing, maintenance, and operation.

16.3. If defects in the Services are observed, the Customer may, at any time during the warranty period, make claims against the Supplier regarding the quality of the Services. The Customer shall draw up a deficiency report and send it to the Supplier by email, fax or post or by courier against signature, instructing the Supplier to sign it and to send it to the Customer within 3 (three) working days by fax or by courier against signature. Failure by the Supplier to send a signed deficiency report or a reasoned refusal to accept the deficiencies shall be deemed to constitute acceptance of the deficiencies by the Supplier. If the Supplier does not acknowledge the deficiencies, the Parties shall consult on the appointment of an independent expert, and in the event of failure to reach an agreement within 3 (three) working days, the Customer shall carry out an expert examination at its own choice. The costs of the examination shall be covered:

16.3.1. By the Customer, if the Services comply with the requirements set out in the Contract,

16.3.2. By the Supplier, if the Services do not meet the requirements of the Contract.

16.4. The conclusions of the examination shall be binding on the Parties. Within 10 (ten) calendar days from the signing of the deficiency report, the Supplier shall provide the Customer with the documentation necessary for the expert examination for the Services for which the Supplier has not acknowledged deficiencies. If the Supplier fails to provide the required documentation within the prescribed time limit, the Supplier shall be deemed to have accepted the deficiencies identified by the Customer.

16.5. The Supplier undertakes to remedy, at its own expense, the deficiencies identified during the warranty period within 20 (twenty) calendar days from the date of dispatch of the deficiency report or the conclusions of the expert examination, as well as to indemnify the Customer against all costs and losses incurred by the latter as a result. Newly provided Services shall be subject to the same warranty terms and conditions as those set out in the Contract and/or its annexes.

**17. CORRESPONDENCE**

17.1. All notices, consents and other communications that a Party may give under this Contract shall be in the Lithuanian language. All information, notices or communications relating to this Contract shall be in writing and shall be sent by email, registered letter or courier service (with acknowledgement of service) or delivered by hand to the other Party at the addresses specified in the particulars of the Contract. Notices to the other Party sent by electronic mail shall be deemed to have been received on the date of sending, or on the next working day if the date of sending is not a working day. Notices sent by registered letter shall be deemed to have been received not later than 3 (three) working days after the date of dispatch.

17.2. In the event of a change in the address and/or other particulars of a Party, such Party shall inform the other Party by notification no later than 3 (three) working days from the time of such change. If a Party fails to comply with these requirements, it shall not be entitled to a claim or defence if the other Party's actions taken based on the last known data are contrary to the terms of the Contract or if it has not received any notice sent on the basis of those data.

**18. PERSONAL DATA PROCESSING**

18.1. In the performance of the Contract, the Parties undertake to carry out the processing of personal data lawfully in accordance with 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) and any other legislation on the processing of personal data. The lawfulness of the processing of data of the Parties’ representatives, employees or other natural persons engaged for the performance of the Contract shall be based on the necessity to perform the Contract. The Parties undertake to duly inform all natural persons (employees, employees and other representatives of their Subcontractors) who will be engaged for the performance of the Contract that their personal data will be processed by the Parties for the purpose of the performance of the Contract.

18.2. Each Party will process the data provided by the other Party about its employees, authorised persons, employees or other representatives of the Subcontractors, as well as other persons, for the purposes of the performance of this Contract, for the legitimate interest of bringing or defending legal claims or other actions, and for the purpose of complying with the obligations imposed on the Party by the applicable laws and regulations, and for the purposes and on the legal basis corresponding to them.

18.3. Each Party shall retain the personal data referred to in clause 18.2 provided by the other Party for the entire term of the Contract, and thereafter to the extent necessary to bring or defend claims or other actions, and to comply with its obligations under applicable law.

18.4. Each Party may provide the personal data referred to in clause 18.2 provided by the other Party to the following recipients: providers of hardware, software and related services used for the processing of personal data, providers of maintenance and servicing of the information and communication technologies used by the Party, the Public Procurement Service, and any other recipients to whom the personal data are required to be provided in accordance with the requirements of the legislation applicable to the Party. The service provider may provide the personal data provided by the Customer as referred to in clause 18.2 of this Contract to the persons whom it is entitled to engage for the performance of this Contract.

18.5. Each Party undertakes to provide all natural persons whose personal data it transfers to the other Party with adequate information about the transfer of their personal data.

18.6. The Parties acknowledge that the natural persons who are engaged for the performance of the Contract with the Parties and who are listed in the Contract have been made aware of their personal data contained in the Contract and have given their consent in accordance with the procedures established by the Parties.

18.7. The processing of personal data may be addressed in a supplemental agreement between the Parties attached to the Contract (where one exists).

**19. PROCEDURE FOR SETTLEMENT OF DISPUTES**

19.1. Disputes arising out of the Contract shall be settled by negotiation, and in the event of failure to resolve the dispute by negotiation within 30 (thirty) days from the commencement of the negotiations, the dispute shall be settled in accordance with the procedure set out in the Code of Civil Procedure of the Republic of Lithuania.

**20. ANTI-CORRUPTION COMMITMENTS**

20.1. The Supplier undertakes to ensure that, in the performance of this Contract, the Supplier’s employees and other persons acting on its behalf do not take any unlawful action to influence the decisions of the Customer or to obtain confidential information.

20.2. The Parties undertake to report acts of a corrupt nature in connection with the performance of this Contract in accordance with the procedure established by law.

**21. FINAL PROVISIONS**

21.1. This Contract and all rights and obligations arising out of this Contract shall be governed by the laws and regulations of the Republic of Lithuania. This Contract is made and shall be interpreted in accordance with the law of the Republic of Lithuania.

21.2. All other matters not covered by the Contract shall be governed by the laws of the Republic of Lithuania.

21.3. Neither Party shall have the right to assign its rights, whether in full or in part, arising from the rights and obligations assumed under this Contract to any third party without the prior written consent of the other Party.

21.4. The Parties understand and acknowledge that the terms and conditions of the Contract and the Annexes to the Contract shall not be considered confidential information. The Parties shall keep secret the principles and methods of their contractor’s work which have come to their knowledge in the performance of the Contract, except where such information is public information or is required to be disclosed by law.

21.5. The representative of the Supplier signing this Contract confirms that he acts within the scope of the powers conferred upon him, which have been granted to him in accordance with the laws of the Republic of Lithuania, the Supplier’s Articles of Association and/or other constituent documents, the decisions of the Supplier’s governing bodies and the regulations and other legal acts approved by them.

21.6. The representatives of the Parties signing this Contract confirm that the Contract has been concluded without economic pressure, by the free will of the Parties to the Contract, that the representatives of the Parties signing the Contract have read the Contract, have understood its contents and consequences and that its conclusion is in full compliance with the will, intentions, and interests of the Parties.

21.7. The Contract is executed in the Lithuanian language, in duplicate, in two copies having equal legal force, a copy for each Party, or signed using a secure electronic signature.

**21. LEGAL DETAILS AND SIGNATURES OF THE PARTIES**

|  |  |  |
| --- | --- | --- |
| **CUSTOMER:** |  | **SUPPLIER:** |
| Name of the Contracting Authority  Name of the representative  Job title of the representative  \_\_\_\_\_\_\_\_\_\_\_\_\_\_  (signature)  \_\_\_\_\_\_\_\_\_\_\_\_\_\_  (date) |  | Name of the Supplier  Name of the representative  Job title of the representative  \_\_\_\_\_\_\_\_\_\_\_\_\_\_  (signature)  \_\_\_\_\_\_\_\_\_\_\_\_\_\_  (date) |