REFERENCE NUMBER: GTA/02/14

SERVICES TENDER FOR THE ENHANCEMENT OF

WWW.ISLANDOFGOZO.ORG WEB SITE

IN RELATION TO THE ‘PROMOTION OF GOZO AS A DISTINCT DESTINATION’ PROJECT

Date Published: 30 December 2014

Deadline for Submission: 22 January 2015 at 10:00am CET / CEST

Tender Opening: 22 January 2015 At 10:15am CET / CEST

Participation is free of charge

IMPORTANT:
- No Bid Bond is requested for this tender

Clarifications shall be uploaded and will be available to view/download from www.islandofgozo.org

Gozo Tourism Association
Flat 4, Ta’ Mljet Court, George Borg Olivier Street, Victoria VCT 2519 Gozo
LOCAL PROMOTION AND MARKETING

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SECTION 1 - INSTRUCTIONS TO TENDERERS

1. General Instructions

1.1 In submitting a tender, the tenderer accepts in full and in its entirety, the content of this tender document, including subsequent clarifications issued by the Contracting Authority/Contracting Authority (CGA/CA), whatever his own corresponding conditions may be, which he hereby waives. Tenderers are expected to examine carefully and comply with all instructions, forms, contract provisions and specifications contained in this tender document.

No account can be taken of any reservation in the tender as regards the tender document; any disagreement, contradiction, alteration or deviation shall lead to the tender offer not being considered any further.

Prospective tenderers take full responsibility to submit their tender response (offer) well before the tender submission deadline in order to avoid last minute upload restrictions. Tender offers must be fully uploaded / accepted by the ePPS prior to the deadline for submission of offers, that is, tenders in transit upon tender submission deadline will be rejected.

1.2 The subject of this Service tender for THE ENHANCEMENT OF WWW.ISLANDOFGOZO.ORG WEBSITE.

The activities relating to this tender are the Web Mobile version and blogging platform, the setting up of booking engine and office support, the web marketing over a period of one year, search engine optimization, and Google ad campaign.

1.3 The place of acceptance of the services shall be Gozo (Malta), and the INCOTERM applicable shall be Delivery Duty Paid (DDP).

1.4 This is a unit-price contract.

1.5 This call for tenders is being issued under an open procedure.

2. Timetable

<table>
<thead>
<tr>
<th>Event</th>
<th>DATE</th>
<th>TIME*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deadline for request for any additional information from the Contracting Authority</td>
<td>8th January 2015</td>
<td>10.00</td>
</tr>
<tr>
<td>Clarifications to be sent either:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Via email on <a href="mailto:gtagozo@onvol.net">gtagozo@onvol.net</a></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Last date on which additional information are issued by the Contracting Authority</td>
<td>15th January 2015</td>
<td>10.00</td>
</tr>
<tr>
<td>Deadline for submission of tenders (unless otherwise modified in terms of Clause 10.1 of the General Rules Governing Tendering)</td>
<td>22nd January 2015</td>
<td>10.00</td>
</tr>
<tr>
<td>Tender Opening Session (unless otherwise modified in terms of Clause 10.1 of the General Rules Governing Tendering)</td>
<td>22nd January 2015</td>
<td>10.15</td>
</tr>
</tbody>
</table>

* All times Central European Time (CET) / Central European Summer Time (CEST) as applicable

1 Unless otherwise indicated, a tender offer above 100MB will not be accepted by the system (ePPS)
3. Lots

3.1 This tender is not divided into lots.

4. Variant Solutions

4.1 No variant solutions will be accepted. Tenderers must submit a tender in accordance with the requirements of the tender document.

5. Financing

5.1 The project is *co-financed* by the European Union/Government of Malta, in accordance with the rules of the Rural Development Programme for Malta 2007-2013 Axis 4 - ‘LEADER’ Programme - Europe Investing in Rural Areas.

6. Clarification Meeting/Site Visit/Workshop

6.1 No clarification meeting/site visit is planned.

7. Selection and Award Requirements

7.1 In order to be considered eligible for the award of the contract, tenderers must provide evidence that they meet or exceed certain minimum criteria described hereunder.

(A) Eligibility Criteria

(i) No Bid Bond is required. *(Note 1)*

(ii) Declare agreement, conformity and compliance with the General Rules Governing Tendering in the Tender Response Format

(iii) Declare agreement, conformity and compliance with the provisions of the Tender’s Declaration in Tender Response Format.

(iv) Declare agreement, conformity and compliance with the provisions of the Statement on Conditions of Employment in Tender Response Format.

(v) Power of Attorney (if applicable) *(Note 2)*

(vi) Data on Joint Venture/Consortium (if applicable) *(Note 2)*

(B) Selection Criteria

*Financial and Economic Standing*

(i) No evidence of financial and economic standing is required

*Proof of Technical Capacity*

(ii) Meet the following minimum requirements:

(1) List of principal services (as per Form marked Experience as Contractor - Annex 1) of a similar nature being
carrying out the enhancement of the www.islandofgozo.org website
to substantiate (2) below (Note 3)

(1) Choose any of the criteria listed in the LN296/2010 Regulation 52(2)
(b) to (j)

(2) State the value of services of a similar nature as described above
effectuated during the last 3 years (being 2012-2014): the minimum
value of which must not be less than [€10,000] in total for the quoted
period. This information is to be submitted online through the
prescribed tender response format. (Note 3)

In so listing the end clients, the tenderer is giving his consent to the
Evaluation Committee, so that the latter may, if it deems necessary,
contact the relevant clients, with a view to obtain from them an
opinion on the works provided to them, by the tenderer. The
Evaluation Committee reserves the right to request additional
documentation in respect of the deliveries listed.

(4) Provide data concerning subcontractors and the percentage of works
to be subcontracted as per Form marked Sub-contracting (annex 2) to
be submitted online through the prescribed Tender Response Format
and by using the Tender Preparation Tool provided. (Note 3)

The maximum amount of sub-contracting must not exceed 30% of the
total contract value.

The main contractor must have the ability to carry out at least 70% of
the contract works by his own means.

(5) A list of the key experts and other staff proposed for the execution of
the contract as per Form marked Key Experts (annex 3).

Key Expert 1 - In E-Business

The key expert in E-Business together with the key expert in
tourism will be responsible for the execution of the contract,
including also the overseeing of the staff involved in the
carrying out of the tasks listed in the above Terms of
Reference related to the project.

Qualifications and Skills: E-Commerce key expert with
qualifications at a degree level or higher in E-Commerce
including in depth knowledge and practical experience of the
various E-Commerce business models, global business
development trends, value chains etc.

The key expert in e-business must have already worked on
similar projects and carried out successfully a minimum of
three (3) similar projects in the last three years.

Key Expert 2 - Tourism

The key expert in Tourism together with the key expert in e-
Business will be responsible for the execution of the contract,
including also the overseeing of the staff involved in the
carrying out of the tasks listed in the above Terms of
Reference related to the project.

Qualifications and Skills: Tourism key expert with
qualifications at a degree level or higher in Tourism including
in depth knowledge and practical experience related to the
various hospitality distribution channels, international booking trends. In addition possesses an in-depth knowledge of the Maltese & Gozitan tourism sector.

The key expert in tourism must have already worked on similar projects and carried out successfully a minimum of three (3) similar projects in the last three years.

Bidders are expected to substantiate their claims in respect to the staff proposed by including CVs of key staff.

A list of works carried out by these key experts in the last 3 years can be requested by the evaluation committee. Evidence of such participation can also be asked for by the Evaluation Committee and must be accompanied by a portfolio as well as certificates of satisfactory execution or positive references issued by the employer.

Public officers and employees of government agencies and government entities of the beneficiary country, cannot be recruited as experts.

The Evaluation Committee reserves the right to request the tenderers to substantiate their claims in respect to the staff proposed by requesting CVs of key staff and signed Declarations of Exclusivity and Availability during the evaluation stage.

(C) Technical Specifications

(i) Tenderer’s Technical Offer in response to specifications to be submitted online through the prescribed Tender Response Format and by using the Tender Preparation Tool provided including any drawings if applicable. (Note 3)

(D) Financial Offer

(i) A financial offer calculated on a basis of Delivered Duty Paid (DDP)\(^{2000}\) for the services tendered as per Tender Response Format.

(ii) A filled-in Financial Bid Form/Bill of Quantities as per Tender Response Format. (Note 3)

Notes to Clause 7.1:

1. Tenderers will be requested to clarify/rectify, within five working days from notification, the tender guarantee only in the following two circumstances: either incorrect validity date, and/or incorrect value.

2. Tenderers will be requested to either clarify/rectify any incorrect and/or incomplete documentation, and/or submit any missing documents within five working days from notification.

3. No rectification shall be allowed. Only clarifications on the submitted information may be requested.

8. Tender Guarantee (Bid Bond)

8.1 No tender guarantee (bid bond) is required.

9. Criteria for Award

9.1 The award criterion will be the price as well as the highest level of qualified expertise and which is ideally supported by industry experience.
The contract will be awarded to the cheapest priced tender satisfying the administrative and technical criteria.
SECTION 2 - EXTRACTS FROM THE PUBLIC PROCUREMENT REGULATIONS

Right of Recourse -

The procedure for the submission of appeals in the tender offer is hereunder.

1) Any tenderer or candidate concerned shall have a right to make a complaint to the Appeals Board that has been set up to look into any grievances potential bidders may deem they have suffered.

2) The Gozo Tourism Association (GTA) will issue a notice and affix an advertisement, in a prominent place at its premises, indicating the awarded public contract, the financial aspect of the award and the name of the successful tenderer. The contracting authority shall, by electronic means or by fax, inform the tenderer or candidate concerned of the publication of the award. The Gozo Tourism Association is precluded from concluding the contract during the period allowed for the submission of appeals. The award process shall be completely suspended if an appeal is eventually submitted.

3) Any tenderer or candidate concerned who is aggrieved by the award indicated by the contract authority may, within five working days from the publication of the notice, file a letter of objection, together with a deposit, with the contracting authority, clearly setting forth any reason for his complaint. The deposit to be paid shall be 0.5% of the estimated value of the tender, with a minimum deposit of four hundred euro (€400). The letter by the complaining tenderer shall be affixed on the notice board of the GTA and shall be brought to the attention of the recommended tenderer.

4) After the expiry of the period allowed for the submission of a complaint, the GTA shall deliver the letter of complaint and all documents relating to the public contract in question to the Appeals Board who shall examine the matter in a fair and equitable manner. In its deliberation the Appeals Board shall have the authority to obtain, in any manner it deems appropriate, any other information not already provided by the contracting authority. The Appeals Board shall determine the complaint by upholding or rejecting it. The written decision of the Appeals Board shall be affixed on the notice board of the GTA and copies thereof shall be forwarded to the parties involved.

(a) Any tenderer or candidate who feels aggrieved by a decision taken by the Appeals Board may appeal to the Court of Appeal (Superior Jurisdiction) as constituted in accordance with article 41(1) of the Code of Organization and Civil Procedure by means of an application filed in the registry of that court within twenty calendar days from the decision on which that decision has been made public.

(b) A copy of the appeal application shall be served on the GTA and on the recommended tenderer, if any, who may file a written reply within twenty days from the date of service.

(c) The Court of Appeal shall set down the cause for hearing at an early date, in no case later than two months from the date on which the appeal is brought before it and shall cause notice of such date to be given to the parties who, on their part, shall assume the responsibility to visit the court registry and be aware of the latest information regarding the appointment for the hearing of the case.

(d) After appointing the application for hearing, and after listening to the oral submissions made by all parties, the Court shall decide the application on its merits, within the shortest time possible but not any later than four months from the day when the appeal had been filed and the parties have been duly notified. Pending the decision of the Court, the process of the call for tenders shall be suspended.

6) Tender documents issued in terms of this Part shall include a clause informing tenderers that the award of the contract is subject to the right of recourse as provided for in this regulation, a copy of which should be reproduced in the documents.
SECTION 3 - SPECIAL CONDITIONS

These conditions amplify and supplement, if necessary, the General Conditions governing the contract. Unless the Special Conditions provide otherwise, those General Conditions remain fully applicable. The numbering of the Articles of the Special Conditions is not consecutive but follows the numbering of the Articles of the General Conditions. Other Special Conditions should be indicated afterwards.

Article 1: Notices and Written Communications

1.1 This tender is being issued by the Gozo Tourism Association whose premises lie at:

Gozo Tourism Association  
Flat 4,  
Ta’ Mliet Court,  
George Borg Olivier Street,  
Victoria VCT 2519  
Gozo

Contact person for the project shall be Mr. Joe Muscat or anyone appointed on his behalf.

Communication procedure between parties shall always be ‘written communication’ and language shall be English.

Article 2: Supply of Information

2.1 As per General Conditions.

Article 3: Assistance with Local Regulations

3.1 As per General Conditions.

Article 4: Obligations of the Contractor

4.1 As per General Conditions.

Article 5: Medical, Insurance and Security Arrangements

5.1 As per General Conditions.

Article 6: Intellectual and Industrial Property Rights

6.1 Any results or rights theron, including copyright and other intellectual or industrial property rights, obtained in performance of the Contract, shall be the absolute property of the Gozo Tourism Association and the Malta Tourism Authority (MTA), which may use, publish assign or transfer them as it deems fit, without geographical or other limitation, except where intellectual or industrial property rights already exist.
Article 7: Scope of the Services

7.1 The scope of the services is defined in Section 4 (Terms of Reference)

Article 8: Personnel and Equipment

8.1 As per General Conditions.

Article 9: Execution of the Contract

9.1 The date on which the contract is expected to commence shall be in the last week of January 2015.

9.2 The period of performance of this tender shall be from the start of the contract last week of January 2015 till May 2015.

Article 10: Delays in Execution

10.1 The daily penalties for delays in execution shall be Euro 750 per day up to a limit of €20,000

Article 11: Amendment of the Contract

11.1 As per General Conditions.

Article 12: Interim and Final Progress Reports

12.1 Not applicable.

Article 13: Payments and Interest on Late Payment

13.1 Indicate whether this is a unit-price contract.

Article 14: Pre-Financing Guarantee

14.1 Not applicable.

Article 15: Audit Certificate

15.1 Not applicable.
Terms of Reference

Note:
Where in this tender document a standard is quoted, it is to be understood that the Contracting Authority will accept equivalent standards. However, it will be the responsibility of the respective bidders to prove that the standards they quoted are equivalent to the standards requested by the Contracting Authority.

1. Background Information

1.1 - Beneficiary Country

Malta

1.2 - Contracting Authority

Department of Contracts

1.3 - Contracting Authority

Gozo Tourism Association

1.4 - Relevant Country Background

Malta is a small island in the Mediterranean with a population of approximately 400,000 habitants. Tourism in Malta is an important sector of the country's economy, contributing to about 15 per cent of the nation's gross domestic product (GDP). Malta features a number of tourism attractions encompassing elements of the island's rich history and culture, as well as aquatic activities associated with the Mediterranean Sea.

Gozo is the second Largest island of the Maltese Archipelago, roughly circular in shape, 14 km by 7km in area. Millions of years ago the Maltese island were the elevated regions on a mass of land extending southwards from nearby Sicily. This continental shelf was submerged when the sea level rose during the interglacials leaving those land tips exposed in the centre of the Mediterranean Sea.

Gozo, is reachable within 20 minutes by the ferry, the only link between the two islands is by sea transport. Given its Mediterranean weather, the Maltese Islands are blessed with good weather all year round. Thus, most of the activities can be enjoyed throughout the year, giving the opportunity to reduce seasonality and balance the consumption of the limited resources of the islands.

Gozo is rural and simple, its culture and way of life rooted in fishing, and in primitive pastoral and agricultural activity. Tomatoes, potatoes, onions, melons, grapes, figs, oranges, and tangerines are the island’s prime agricultural produce.
1.5 - Current State of Affairs in the Relevant Sector

The development of tourism in Malta took off in the late 1950’s. Prior to this the Maltese economy was geared towards providing services to the British military base. The tourism industry was not at all important during that time. However, this situation changed as a consequence of the fact that the British Government started running down the base due to Malta’s loss of strategic importance.

New areas of economic development had to be identified. Tourism, together with ship repair and light manufacturing were identified as possible areas capable of immediate development. These sectors earn the Maltese economy the much needed foreign currency. This foreign currency is required because Malta has to import most of its requirements since it has very limited resources which are not at all numerous in variety.

Although Malta has been striving to achieve a more even spread in tourist arrivals throughout the year, major changes in visitor flows are difficult to achieve. Various initiatives has been taken by both the Malta Tourism Authority and the Ministry for Tourism in promotion to instigate potential tourists to attract tourists to the Maltese Islands also during the shoulder and winter months.

Gozo is considered as one of Malta’s niche markets. Niche marketing proposes and presents a number of valid and viable options for the promotion of a small but unique destination like Gozo, at present as well as in the foreseeable future. It’s without any doubt that the island’s main attractions lie in its inherent rural character and natural environment. The slow paced way of life, the peaceful atmosphere and the hospitable Gozitans are other vital and unique selling propositions that together with the wealth of its traditional and historical heritage give a distinctive mark to product Gozo.

As a rural destination, Gozo can provide a wealth of rich experiences for the visitor. Nowadays, domestic and international visitors in increasing numbers are turning to countryside destinations for holidays. However, acknowledging changes in tourist statistics relating to the length and type of visit being sought and a rapid growth in alternative destinations worldwide, have resulted in a situation within which rural destinations are faced with the need to be even more competitive.

Rural tourism in Gozo has become by default the island’s best tourism management tool with participating stakeholders endorsing the island’s potential in this regard. Rural tourism has been projected as a possible catalyst within the context of implementing the island’s Eco-Gozo strategy. Gozo’s traditional and cultural heritage strengthen the island’s characteristics that include amongst other things unique historical sites and buildings, cultural treasures, a Mediterranean cuisine with a distinctive local taste together with a rural environment that boasts beautiful scenery surrounded by clear deep blue sea in a warm climate.

Gozo will be able to offer a unique experience to potential tourists willing to travel in shoulder months. Having been blessed with such a warm climate, such packages and activities will allow to be available nearly all year round. The stakeholders are aware that this sector in Gozo is not yet attracting families and large groups. Although the island is endowed with natural and scenic beauty, it lacks other elements considered as basic ‘raw materials’ within the rural tourism industry. For this reason the island is in direct competition with other emerging destinations in the Mediterranean area. Thus the island’s distinctive product should be considered as a unique selling proposition that gives rural destination Gozo a competitive edge.

All of us who work or contribute through our endeavours within this important economic sector must share a vision for rural tourism and acknowledge and appreciate the potential benefits that may be derived through rural tourism activities on a regional basis. Rural activities in Gozo have great potential for both domestic and international tourists. Rural tourism projects are quite often based upon the accommodation offer thus sidelining the much needed development of complementary products and services that would definitely enhance Gozo’s potential. Thus, this project will enable the establishment of a stakeholder’s network for a positive collaboration in the creation of innovative rural packages which will in turn boost Gozo’s rural economy.
This will be done through various activities mentioned in the project. Some of which are upgrading of the website into a booking portal, a more informative website and the real experiences by the local and foreign bloggers on the website's blogging page. All this will be further sustained by the much needed TV spots and print adverts both locally and internationally. The international conference will further add to the benefits of Gozo's tourism business industry directly but will also impact positively on the other sectors such as the local produce, arts and crafts, transport sector and airline business.

The Gozitans have become aware of and acknowledge the opportunities that are being offered by the rurality of the island. Today a number of Gozitans make their living through the production of several local produce which is unique in its quality. A few examples of the traditional local produce are the Gozitan peppered cheeselets (practically produced according to traditional methods), Gozo honey, sundried tomatoes, as well as wine, olive oil and the limoncello liqueur which is produced from the numerous citrus groves found around fertile Gozo. In the past, the local produce was necessary in our ancestors’ fight for survival, today it is not only a means of income and economic well-being but a complimentary attraction that offers authenticity within Gozo’s tourism product that enthralled visitors from both the domestic as well as the foreign markets. One of the growing trends in this industry which can be linked to rural sector is the increasing interest in local gastronomies and tourists travelling for local culinary experiences. In this respect, the importance of local cuisine in tourists’ dining experience has been noted as one of the determining factors that affect tourists' destination choice, thus, we can truly say that Gozo boosts a rich and healthy Mediterranean cuisine offering unique local produce which will definitely boost tourism experiences in the rural sector.

Another emerging niche touristic segment on Gozo is related to Agri-activity. Today we have Gozitan entrepreneurs who are rehabilitating agricultural land by converting it into estates focusing on the cultivation of local fruit trees, vine yards and olive groves. Besides proving beneficial in enhancing Gozo’s rural landscape, they are proving to be an added attraction that gives agricultural experiences to visitors through the sharing of the farmers’ fruit picking activities and the daily chores of farm animals on the estate. This authentic Gozitan rural attraction needs more backing and support in order to establish it as one of the main features of Gozo’s rural tourism concept.

Through the project's marketing and advertising activities, Gozo will be clearly mapped as a distinct destination and will have an opportunity to be more competitive and to reach potential tourists at the time when choosing their potential holiday destination. Apart from the more informative website and blogging experiences, the booking portal will enable such tourists to easily access Gozo's services and facilitate real time booking.

In spite of the multiple definitions and expanded scope of rural tourism, there is a consensus that its main objective should be sustainability. Moreover, we must all appreciate the potential positive affect this may have on our country’s economy both from a regional as well as a national perspective.

1.6 - Related Programmes and Donor Activities

The Malta Tourism Authority promotes the Maltese Islands as an all year round tourism destination. The work carried out by the Malta Tourism Authority helps increase awareness of the Maltese Islands (Malta, Gozo and Comino), as well as the distinct activities that one can engage in whilst here. The Authority manages a considerable marketing budget which helps in promoting the islands on the international fora through participation in international fairs, creation and updating of online marketing platforms, as well as holding constant talks and discussions with tour operators, airlines and other touristic operators which might have an impact on the industry. The Malta Tourism Authority has also drafted a marketing plan for Malta and Gozo with the final aim of having a more direct approach for its marketing efforts.
The Malta Tourism Authority falls under the Ministry for Tourism who is responsible for setting the overall direction in the sector. This is being done through the drafting of the Tourism Policy for the Maltese Islands. This policy will build on the current policy direction and try to explore new ways and means on how to tackle issues related to seasonality as well as diversification.

Gozo has always been given specific attention by the Ministry for Tourism and the Malta Tourism Authority and is high on government’s agenda. Government recognizes the individual characteristics of the island of Gozo and has been promoting the island as a unique tourism destination. This effort is clearly manifested not only through the attention given to the islands in the different marketing strategies adopted by the government and its entities but also through the setting up of a Gozo unit, within the MTA’s marketing directorate, which work is solely that of promoting Gozo.

This work is in line with the work that is carried out by the Gozo Tourism Association which is an Association of tourism private operators on the island of Gozo and who has been responsible for further improving the sector through improved collaboration with government entities, participation in overseas fairs as well as coming up with improved policy / strategy actions that could be implemented for reduced bureaucracy as well as increased efficiency for the island of Gozo.

2. Contract Objectives and Expected Results

2.1 - Overall Objectives

The overall objectives of the project of which this contract will be a part are as follows:

- Carrying out the promotion of Gozo as a distinct tourism destination

2.2 - Specific Objectives

The objectives of this contract are as follows:

- Increase awareness and visibility of Gozo as a distinct tourism destination
- Offer more accommodation booking possibilities through on line booking facilities

2.3 - Results to be achieved by the Contractor

1. Web Mobile version and blogging platform
2. The setting up of booking engine and office support
3. The web marketing over a period of one year
4. Search engine optimization
5. Google ad campaign

3. Assumptions and Risks

3.1 - Assumptions Underlying the Project Intervention

No assumptions are being made.
3.2 – Risks

Risks are normal risks associated with tender issuing and awarding including possible delays which might affect the timely implementation of the project.

4. Scope of the Work

4.1 – General

4.1.1 Project Description

The project aims to showcase Gozo as a distinct island destination in the Mediterranean. Gozo’s tourism offer is diverse, unique and niche based. Therefore the promotion will focus on such assets. Added to this the proposal envisages an element of strategy setting and planning with a public private element that allows for holistic long term planning in relation to promoting Gozo. Combining these elements results in a proposal that will yield results in the short and long term.

The purpose of this project is to provide assistance to the development of creative and innovative activities to market Gozo’s distinctiveness in the short and long term. The strategic objective of this project is to develop Gozo distinctiveness and enhance synergies with tourism related activities in order to promote growth and reduce seasonality in a sustainable manner. This will be done through the assessment of the current situation and the setting up of a marketing action plan that will allow the association and the authority a clear pathway of how to position and market Gozo as a distinct destination in for a period of three years. The implementation of a promotional campaign targeting both overseas and local tourists, the enhancement of the website and the setting up of an annual international tourism conference in Gozo all lead to achieving the scope of this action.

Through its implementation the project proposal aims to achieve the following objectives:

- Take stock of the current situation and strategically position Gozo to enhance its visibility internationally and within certain niche markets;
- Improve and increase the awareness of Gozo as a distinct destination through various innovative marketing tools;
- Stimulate visitor arrivals to Gozo from domestic and international markets;
- Engage and empower the main stakeholders to collaborate in the promotion of Gozo through the public and non-governmental partnership approach;
- Plan long term outlining mile stones and measurable results.

The partnership development in this project is a natural continuation of the intrinsic link between the GTA and the MTA in terms of promoting Gozo as a distinct destination. The authority and association have undertaking joint initiatives since 1999 where both GTA and MTA attended the World Travel Market together. Since then, the MTA and GTA have undertaken to attend a number of fairs together and have also worked on national initiatives to promote Gozo as a distinct and unique destination. The GTA have also garnered the financial support of the Ministry for Gozo which is vital to ensure the sustainability of the organisation.
4.1.2 Geographical Area to be covered

Gozo

4.1.3 Target Groups

Local and foreign tourists and the Gozo tourism industry

4.2 - Specific Activities

Enhancement of the [www.islandofgozo.org](http://www.islandofgozo.org) Website

The website, developed, owned and managed by the GTA will be enhanced and revamped through this project allowing tourists and better online access to the destination. The portal is one of the main links to tourism on the island and can be an excellent marketing and sales tool. The portal will be re-designed and upgraded to match the professionalism of the national tourism portals. The portal will be upgraded to allow for access from mobile devices and enabling the platform for the Traveller’s Blog. The website will also be enhanced to include a booking engine to GTA members. The project will also invest in search engine optimisation, web-marketing for 1 year and Google Ad Campaign. Whilst the website is owned by the GTA, the MTA as project partners will be able to benefit from the exposure that investment in this website will result in. To date the website in question only provides information on Gozo as a destination. Whilst the information is up to date, there is the need for a re-vamp of the general look of the site. Furthermore the addition of the booking portal will offer their clients a better service. GTA members making use of this site will be able to revise their rates based on seasonal demands in real time capturing the full potential of the tourist market. This practice is as yet not utilised within the Gozo accommodation sector. Many accommodation operators are inflexible with their rates, resulting in loss of business and poor expectations. The new addition to the portal will also give added value to the tourist’s experience. Currently the site receives many visits which result in a number of queries that need to be forwarded to the GTA members. The booking portal will allow tourists to review the GTA member’s offer online and book online if they so wish to do so. This facility will avoid countless man hours in mail communication and enhance the tourist’s access to the destination. Ultimately this activity focuses on converting the current traffic that the website receives into business and making better use of the internet as a tool to enhance the exposure of Gozo as a tourism destination.

The Contractor carrying out the work will be expected to the following:

**A) The Creation of web mobile version of islandofgozo.org**

A mobile version of the site [www.islandofgozo.com](http://www.islandofgozo.com) is to be created. As the GTA does not have access to the CMS of the current site and is populated by data provided by a third party supplier the new mobile version of the site is to be independently set up.

In this respect the below items are required

- An analysis of the current site i.e. islandofgozo.org structure ensuring that all the areas displayed on the current site will also be displayed on the new mobile version.
• The design and creation of a mobile friendly version of the current site providing a new content management system that will allow the GTA to load and display the current data present on islandofgozo.org on the mobile version of the site.

• Populating the newly created mobile version with all the data currently displayed on islandofgozo.org. No data import facilities are available so all the data is to be extracted and inputted manually by the supplier.

• Provide adequate hosting for a period of 5 years

• Provide on call support services for a period of 1 year

• Provide an allocated amount of 24 hours of onsite support at the GTA offices in Gozo during 2015

**Setting of blogging platform**
• A blogging platform including a content management system is to be provided.

• Provide adequate hosting for a period of 5 years

• Provide on call support services for a period of 1 year

• Provide an allocated amount of 6 hours of on site support at the GTA offices in Gozo during 2015

**B) Setting up of a booking engine**

The booking portal should include the following features and benefits;
• Manually enter individual hotels or bulk upload all hotel data from Excel or CSV
• Support for multiple properties in multiple locations
• Classify properties by Star Rating and Location
• Multiple room types unique to each property
• Pricing per room/unit
• Customized pricing formulas
• Create periods to customize pricing for different times of the year
• Create periods with different prices for each day of the week
• Apply stop sales on individual days
• Customizable board bases
• Powerful price modification system
• Full hotel information in English languages (rich text description, files, images, links downloadable PDFs)
• Customise order of search results on the website. This will allow to give prominence to certain hotels over others.
• Add supplements to rooms on a room basis or person basis
• Support for taxes on children, adults, or both.

**Functionality features**

**GTA Admin Area**
• User Management
• Login + Security
• Change Password
• Forgot Password
• General Settings
• Default Locations
• Default Property Types (Villas/Hotels/Apartments etc)
• Default meal plans
• Default Star Ratings
• Manage Properties
• Allocate a number of properties to one owner
• Set commission %
• Set property Geo map tagging
• Enable / Disable Property Visibility
• Update Property Details (Name/Contact Details/Description)
Bookings
  - Manage Bookings (Search/Edit)
  - Search By Booking no/Date Range /Guest Name
  - Reports

User Management
  - Login + Security
  - Change Password
  - Forgot Password
  - Manage Rates & Availability
  - Manage Periods
  - Manage room Types
  - Manage Rooms type information (no of rooms, Images etc.)
  - Manage Room facilities
  - Room disable facility
  - Manage Rates
  - Manage Availability (by Allocation e.g. 5 Rooms Per Day)
  - Manage Supplements Per Room Type
  - Save & Publish Content (relating to rates & availability)

Online payment gateway
It is important that this booking portal is supported by a fast, secure and certified electronic payment gateway. The system is to ensure that GTA customers have the peace of mind that their solution adheres to the strictest standards out there.

Booking Engine Office Support

The selected supplier will have to coordinate the data collection of the various accommodation entities located in Gozo and load the booking engine system with all the required information in order to deliver a fully functioning and data populated booking portal.

In total the data of 500 different accommodation provides need to be loaded into the system. These include data relevant to the individual hotels, guesthouses, farmhouses etc.

Loading of:

- General accommodation description (500 entries)
- Five images per accommodation (2500 entries)
- Individual room descriptions per establishment (an average of 2 room types per establishment i.e. 1000 entries)
- Individual room images per establishment (one image per room i.e. 1000 entries)
- Individual room initial allocation setup (1000 entries)
- Individual room rates for an average of 3 periods per room (3000 entries)

In addition

- Provide adequate hosting for a period of 5 years
- Provide on call support services for a period of 1 year
- Provide an allocated amount of 24 hours of on site support at the GTA offices in Gozo during 2015

C) Web marketing for a period of one year

The supplier will have to set up and conduct a facebook social media marketing plan to increase visitors and bookers to the web site for a period of 12 months. This initiative is to also include one competition and one game to entice user interaction. A detailed list of initiatives is to be supplied.

D) Search Engine Optimisation

The supplier will have to set up and conduct a search engine optimisation plan for
www.islandofgozo.org to increase visitors and bookers to the web site for a period of 12 months. This is to be a combination of onsite and offsite initiatives. All black hat techniques will not be allowed. A detailed list of initiatives is to be supplied.

**E) Google Ad Campaign**

The supplier will have to plan and manage a google ad word campaign spread over 12 months. An amount totalling Euros 6,000 ex vat is to be directly spent on google ad words to support this initiative. A detailed plan of this initiative is to be supplied.

All rights of the www.islandofgozo.org will be of the Gozo Tourism Association and the Contractor cannot, at the end of the project, make use or distribute any content from this website without the prior written consent of the Gozo Tourism Association.

Given that this is an EU funded project, proper publicity to the EU funds under which this project is financed must be given. The Contracting Authority will give the contractor all the information necessary in this regard however it is the responsibility of the contractor to ensure that the publicity guidelines are followed at all times. Omissions in this regard must be rectified by the contractor at his own expense.

### 4.3 - Project Management

#### 4.3.1 Responsible Body

Gozo Tourism Association

#### 4.3.2 Management Structure

**Gozo Tourism Association**

The Project is being implemented by the GTA in collaboration with the Malta Tourism Authority (MTA). The CEO of the GTA is in charge of the overall progress of the project (project leader).

For the day to day running of the project a Project Manager / Coordinator will be employed. He will be the liaison between the GTA and the contractor. Orders coming from the Project Manager / Coordinator will be deemed to be orders coming from the GTA.

The MTA will be assisting the GTA through the overall project implementation. This is being done by the EU Affairs and Policy Development (EUPD) unit. The EUPD will work closely with the GTA CEO (project leader) and the project manager / coordinator employed for the duration of the project.

#### 4.3.3 Facilities to be provided by the Contracting Authority and/or other parties

No facilities are to be provided by the Contracting Authority.

### 5. Logistics and Timing

#### 5.1 – Location

The project will cover the area of Gozo but will make use of media which is distributed all over the Maltese Islands and overseas. Contractor will need to carry out meetings with different suppliers who might operate in Malta and Gozo. No extra transport or logistic fees will be paid apart from the global sum quoted in the bill of quantities.
5.2 - Commencement Date & Period of Execution

The intended commencement date is last week of January 2015 and the period of execution of the contract will be 4 months (but cannot be later than end May 2015) from this date. Article 19.1 of the Special Conditions will determine the actual commencement date and period of execution.

6. Requirements

6.1 – Personnel

6.1.1 Other Experts

CVs for experts other than the key experts are not examined prior to the signature of the contract. They should not have been included in tenders.

The Contractor shall select and hire other experts as required according to the profiles identified in the Organisation & Methodology. For the purposes of this contract, international experts are considered to be those whose permanent residence is outside the beneficiary country while local experts are considered to be those whose permanent residence is in the beneficiary country.

The Contractor should pay attention to the need to ensure the active participation of local professional skills where available, and a suitable mix of international and local staff in the project teams. All experts must be independent and free from conflicts of interest in the responsibilities accorded to them.

The selection procedures used by the Contractor to select these other experts shall be transparent, and shall be based on pre-defined criteria, including professional qualifications, language skills and work experience. The findings of the selection panel shall be recorded. The selection of experts shall be subject to approval by the Contracting Authority.

Note that civil servants and other staff of the Public Service of the beneficiary country cannot be recruited as experts. See sub-article 9.5 of the General Conditions.

6.1.2 Support Staff and Backstopping

As appropriate.

6.2 – Accommodation

Office accommodation of a reasonable standard and of approximately 10 square metres for each expert working on the contract is to be provided by the contractor.

6.3 - Facilities to be provided by the Contractor

The Contractor shall ensure that experts are adequately supported and equipped. In particular it shall ensure that there is sufficient administrative, secretarial and interpreting provision to enable experts to concentrate on their primary responsibilities. It must also transfer funds as necessary to support its activities under the contract and to ensure that its employees are paid regularly and in a timely fashion.

If the Contractor is a consortium, the arrangements should allow for the maximum flexibility in project implementation. Arrangements offering each consortium partner a fixed percentage of the work to be undertaken under the contract should be avoided.
6.4 – Equipment

No equipment is to be purchased on behalf of the Contracting Authority / beneficiary country as part of this service contract or transferred to the Contracting Authority / beneficiary country at the end of this contract. Any equipment related to this contract which is to be acquired by the beneficiary country must be purchased by means of a separate supply tender procedure.

7. Reports

7.1 - Reporting Requirements

No reports are required

8. Monitoring and Evaluation

8.1 - Definition of Indicators

Enhancement of www.islandofgozo.org website as follows:

a) Web mobile version and blogging platform
b) Setting up of booking engine and office support
c) Webmarketing over a period of 1 year
d) Search Engine Optimization
e) Google Ad Campaign

8.2 - Special Requirements

Not applicable
TENDERER’S TECHNICAL OFFER (ORGANIZATION & METHODOLOGY)

To be completed by tenderer

1. RATIONALE

- The local marketing campaigns’ objective is to target locals to appreciate more the potential of Gozo as a tourism destination where one can engage in numerous activities ranging from relax, health, sports and adventure activities, as well as conference and incentive facilities for the local tradesman.
- The aim is to increase tourism flows during the shoulder months
- The 6 short video clips must clearly capture the different yet unique character of the island of Gozo.
- The points highlighted through this tender are an idea of the different kind of activities one can engage in. Bidders are expected to come up with a plan on the different activities they think should be featured for each of the 6 videos. Bidders are also expected to highlight how they intend to present the message (ex. story like, use of extras, scenarios chosen etc). Please note that all costs are to be included under the global sum and no extra payments will be effected.
- Filming and editing of the 6 short video clips must be ready by mid March 2015. Assumptions is being made that weather will be clement but also that the winning contractor will make use of every time available to shoot the best quality videos.
- Bidders are also expected to present a timeline of when the short video clips will be aired on local television stations including name of TV stations, date and time. Bidders are also to present a short strategy on how they intend to distribute the different thematic video clips over the marketing period being proposed (reference is to be made to the Terms of Reference).
- The Bidder is to list any risks he is foreseeing as well as means he plans to a) avoid them if possible and b) not be stopped is these cannot be avoided.

2. STRATEGY

- Bidders are to present a plan clearly showing different list of the 6 thematic videos and when and where these will be shot;
- Plan is to include a detailed description clearly giving the evaluation committee an idea of what to expect as a final result.
- Bidders are to present a plan clearly showing when each of the different videos is to be aired, on which television station and time of airing.
- In the case of a tender being submitted by a consortium, a description of the input from each of the consortium partners and the distribution and interaction of tasks and responsibilities between them must be presented
- A description of sub-contracting arrangements foreseen, if any and within the limit indicated in Note 3 in Section A of Volume 1 Section 2 - Tender Form, with a clear indication of the tasks that will be entrusted to a sub-contractor and a statement by the tenderer guaranteeing the eligibility of any sub-contractor

3. TIMETABLE OF ACTIVITIES

- Plan must include the timing, sequence and duration of the proposed activities, taking into account mobilisation time. Plan must respect overall timeframes of the execution of the project.
- The identification and timing of major milestones in execution of the contract, including an indication of how the achievement of these would be reflected in any reports, particularly those stipulated in the Terms of reference
SECTION 5 – SUPPLEMENTARY DOCUMENTATION

5.1 - Draft Contract Form

This contract is concluded between:

Gozo Tourism Association
Flat 4, Ta’ Milet Court,
George Borg Olivier Street,
Victoria VCT 2519 Gozo

(hereinafter called “The Contracting Authority”)

on the one part, and

<<NAME OF CONTRACTOR>>
<<ADDRESS OF CONTRACTOR>>

Tel:
Fax:
e-mail:
(hereinafter called “The Contractor”)

on the other part,

1. In this contract words and expressions shall have the meanings assigned to them in the contractual conditions set out below.

2. The subject of this contract is services tender for carrying out local promotion in relation to ‘Promotion of Gozo as a distinct destination’ project

3. The following documents shall be deemed to form and be read and construed as part of this contract, in the following order of precedence:

   (a) this Contract Agreement, the Special Conditions,
   (b) the General Conditions,
   (c) the Technical Specifications and Design Documentation (including any clarifications made during tendering period),
   (d) the Technical Offer (including any clarifications made during evaluation),
   (e) the Financial Offer (after arithmetical corrections/breakdown),
   (f) the Tenderer’s Declarations in Tender Response Format,
   (g) Other Documents (related to the subject of the contract).

Clarifications and Addenda shall have the order of precedence of the document according to the article they are modifying.

4. In consideration of the payments to be made by the Contracting Authority to the Contractor as hereinafter mentioned, the Contractor undertakes to execute and complete the contract in full compliance with the provisions of the contract.

5. The Contracting Authority hereby agrees to pay the Contractor in consideration of the execution of the contract and remedying of any defects therein the <<amount/price rate>> of:

   • €................................. (AMOUNT IN WORDS) <<excluding/including>> VAT and/or any other taxes (if any)

or such other sum as may become payable under the provisions of the contract at the times and in the manner prescribed by the contract. VAT shall be paid in compliance with National Law (in particular the VAT Act 1998, the Act No X of 2003 and relevant Legal Notices).

6. The Contractor hereby agrees to submit to the Contracting Authority a performance guarantee amounting to €............. (AMOUNT IN WORDS) equivalent to 10% of the contract value (as stipulated in the Special Conditions).
In witness whereof the parties hereto have signed the contract. This contract shall take effect on the date on which it is signed by the last party or the date of the Letter of Intent (whichever date comes the earliest).

The provisions of this contract are without prejudice to the obligations of the Contracting Authority in terms of the Freedom of Information Act (Cap. 496 of the Laws of Malta). The Contracting Authority, prior to disclosure of any information to a third party in relation any provision of this contract, which has not yet been made public, shall consult the contractor in accordance with the provisions of the said Act, pertinent subsidiary legislation and the Code of Practice issued pursuant to the Act. Such consultation shall in no way prejudice the obligations of the Department of Contracts in terms of the Act.

Done in English in two originals: one for the Contracting Authority (GTA), and one for the Contractor.

Contractor : Gozo Tourism Association (Contracting Authority)

Signed by: Signed by:

In the capacity of: In the capacity of:

Being fully authorized by and acting on behalf of Being fully authorized by and acting on behalf of

Date: Date:
5.2 - Glossary

GLOSSARY

Definitions

Note: the present definitions are given here for convenience only, in the context of the tender procedure. The definitions set out in the contract as concluded are determining for the relations between the parties to the contract.

Administrative order: Any written or oral instruction or order issued by the Project Manager to the Contractor regarding the execution of the services.

Beneficiary Country: The Maltese Islands.

Breakdown of the overall price: A heading-by-heading list of the rates and costs making up the price for a lump-sum contract.

Budget Breakdown: In a fee-based contract, the schedule which breaks down the contract value, stating out the fee rates and the provision for incidental expenses.

Cash Flow Forecast: The Contractor’s estimate of the cash flows arising directly from the execution of a fee-based contract.

Commission: The European Commission.

Conflict of interest: Any event influencing the capacity of a candidate, tenderer or supplier to give an objective and impartial professional opinion, or preventing him, at any moment, from giving priority to the interests of the Contracting Authority. Any consideration relating to possible contracts in the future or conflict with other commitments, past or present, of a candidate, tenderer or supplier, or any conflict with his own interests. These restrictions also apply to sub-contractors and employees of the candidate, tenderer or supplier.

Contract: The signed agreement entered into by the parties for the performance of the services, including all attachments thereto and all documents incorporated therein.

Contract Value: The total value of the contract to be paid by the Contracting Authority in terms of the agreed terms and conditions.

Contracting Authority: means the final beneficiary of the contract.

Contractor: The party which contracts to perform the services.

Day: Calendar day.

Drawings: Drawings provided by the Contracting Authority, and/or drawings provided by the Contractor and approved by the Project Manager, for the carrying out of the services.

EC: The European Community.

EU: The European Union.

Evaluation Committee: a committee made up of an odd number of voting members (at least three) appointed by the Contracting Authority and possessing the technical, linguistic and administrative capacities necessary to give an informed opinion on tenders.

Fee-Based Contract: A contract under which the services are provided on the basis of fixed fee rates for each day/hour worked by experts/service provider.

Final Beneficiary: Gozo Tourism Association
Foreign currency: Any currency permissible under the applicable provisions and regulations other than the Euro, which has been indicated in the tender.

General conditions: The general contractual provisions setting out the administrative, financial, legal and technical clauses governing the execution of contracts.

General damages: The sum not stated beforehand in the contract, which is awarded by a court or an arbitration tribunal, or agreed between the parties, as compensation payable to an injured party for a breach of the contract by the other party.

Global Price Contract: A contract under which the services are performed for an all-inclusive fixed price.

In writing: This includes any hand-written, typed or printed communication, including fax transmissions and electronic mail (e-mail).

Liquidated damages: The sum stated in the contract as compensation payable by the Contractor to the Contracting Authority for failure to complete the contract or part thereof within the periods under the contract, or as payable by either party to the other for any specific breach identified in the contract.

Modification: An instruction given by the Project Manager which modifies the works.

Month: Calendar month.

National currency: The currency of the country of the Contracting Authority.

Period: A period begins the day after the act or event chosen as its starting point. Where the last day of a period is not a working day, the period expires at the end of the next working day.

Plant: appliances and other machinery, and, where applicable under the law and/or practice of the state of the Contracting Authority, the temporary structures on the site required to carry out the works but excluding equipment or other items required to form part of the permanent works.

Project: The project in relation to which the services are to be provided under the contract.

Project Manager: The natural or legal person responsible for monitoring the implementation of the contract on behalf of the Contracting Authority.

Public Service: Government Ministries and Departments.

Services: Activities to be performed by the Contractor under the contract such as technical assistance, studies, training and designs.

Special conditions: The special conditions laid down by the Contracting Authority as an integral part of the tender document, amplifying and supplementing the general conditions, clauses specific to the contract and the terms of reference.

Tender document/s: The dossier compiled by the Contracting Authority and containing all the documents needed to prepare and submit a tender.

Tender price: The sum stated by the tenderer in his tender for carrying out the contract.

Terms of Reference: The document in Volume 3, Section 1, drawn up by the Contracting Authority giving the definition of its requirements and/or the objectives in respect of the provision of services, specifying, where relevant, the methods and resources to be used by the Contractor and/or the results to be achieved by it.

Time Limits: Those periods in the contract which shall begin to run from the day following the act or event which serves as the starting point for those periods. Should the last day of the period fall upon a non-working day, the period shall expire at the end of the first working day following the last day of the period.

Written communications: Certificates, notices, orders and instructions issued in writing under the contract.
SPECIMEN PERFORMANCE GUARANTEE FORM

(LETTERHEAD OF THE REGISTERED FINANCIAL INSTITUTION PROVIDING THE GUARANTEE)

Gozo Tourism Association
Flat 4, Ta’ Mlmet Court,
George Borg Olivier Street,
Victoria VCT 2519 Gozo

[DATE]

Dear Sir,

Our Guarantee Number .......... for € ........
Account: [Account Holder’s Name]

In connection with the contract entered between the CEO of the Gozo Tourism Association (GTA) and [Name and Address of Contractor] hereinafter referred to as “the Contractor” as per the latter’s tender and your acceptance under GTA/02/14, whereby the contractor undertook the contract to carry out the Services of local promotion in relation to the ‘Promotion of Gozo as a Distinct Destination’ project in accordance with the General Conditions and/or Special Conditions for Service Contracts which form part of the contract documents, we hereby guarantee to pay you on demand a maximum sum of € [amount in words and numbers] in case the obligations of the above-mentioned contract are not duly performed by the Contractor.

This guarantee will become payable on your first demand and it shall not be incumbent upon us to verify whether such demand is justified.

For avoidance of doubt it is hereby declared that although this instrument gives rise to legal relations between the guarantor and the beneficiary, it specifically declared for all intents and purposes of law that this guarantee does not exempt the above-mentioned Contractor from any obligations, acts of performance or undertaking assumed under the tender documents as ratified in the contract.

Any payments due to the contractor in respect of the obligations entered into under the contract above referred to shall be made through this Bank.

This guarantee expires on the [expiry date] and unless it is extended by us or returned to us for cancellation before that date any demand made by you for payment must be received in writing not later than the aforementioned expiry date.

This document should be returned to us on utilization or expiry or in the event of the guarantee being no longer required.

After the expiry date and in the absence of a written demand being received by us before such expiry date, this guarantee shall be null and void, whether returned to us or not, and our liability hereunder shall terminate.

This guarantee is governed by Maltese Law, it is personal to you, and is not transferable or assignable.

Yours Faithfully,

........................................
[Signatory on behalf of Guarantor and designation]
GENERAL CONDITIONS FOR SERVICE CONTRACTS

It is hereby construed that the tenderers have availed themselves of these general conditions, and have read and accepted in full and without reservation the conditions outlined therein, and are therefore waiving any standard terms and conditions which they may have.

These general conditions will form an integral part of the contract that will be signed with the successful tenderer/s.
A. PRELIMINARY PROVISIONS

Article 1 Definitions and conventions

1.1 If this contract is signed in more than one language, the English version prevails in the event of inconsistencies between the different language versions.

1.2 The headings and titles in these General Conditions shall not be taken as part thereof or be taken into consideration in the interpretation of the Contract.

1.4 Where the context so permits words importing the singular shall be deemed to include the plural and vice versa and words importing the masculine shall be deemed to include the feminine and vice versa.

1.5 The word "country" shall be deemed to include State or Territory.

1.6 Words importing persons or parties shall include firms and companies and any organization having legal capacity.

1.7 This contract is regulated by Maltese Law.

Article 2 Notices and written communications

2.1 Whenever there is a deadline for the receipt of a written communication, the sender should ask for an acknowledgement of receipt of its communication. In any event, the sender shall take all the necessary measures to ensure timely receipt of the communication.

2.2 Any notice, consent, approval, certificate or decision by any person required under the contract shall be in writing, unless otherwise specified, and shall not be unreasonably withheld or delayed.

2.3 Any oral instructions or orders shall take effect at the time of transmission and shall be confirmed subsequently in writing.

Article 3 Assignment

3.1 An assignment is any agreement by which the Contractor transfers its contract or part thereof to a third party.

3.2 The Contractor shall not, without the prior written consent of the Contacting Authority, assign the contract or any part thereof, or any benefit or interest thereunder.

3.3 The approval of an assignment by the Contracting Authority shall not relieve the Contractor of its obligations for the part of the contract already performed or the part not assigned.

3.4 Assignees must satisfy the eligibility criteria applicable to the award of the contract.

Article 4 Sub-contracting

4.1 Any agreement by which the Contractor entrusts performance of a part of the services to a third party is considered to be a sub-contract.

4.2 The Contractor must seek the prior written authorisation of the Contracting Authority before
entering into a sub-contract. This authorization will be based on the services to be subcontracted and the identity of the intended subcontractor. The Contracting Authority shall, with due regard to the provisions of Article 2.2, within 30 days of receipt of the notification, notify the Contractor of its decision, stating reasons, should it withhold such authorisation.

4.3 No sub-contract can create contractual relations between any sub-contractor and the Contracting Authority.

4.4 The Contractor shall be responsible for the acts, defaults and negligence of its sub-contractors and their experts, agents or employees, as if they were the acts, defaults or negligence of the Contractor, its experts, agents or employees. The approval by the Contracting Authority of the sub-contracting of any part of the contract or of the engagement by the Contractor of subcontractors to perform any part of the services shall not relieve the Contractor of any of its obligations under the contract.

4.5 If a sub-contractor is found by the Contracting Authority or the Project Manager to be incompetent in discharging its duties, the Contracting Authority or the Project Manager may request the Contractor forthwith, either to provide a sub-contractor with qualifications and experience acceptable to the Contracting Authority as a replacement, or to resume the performance of the services itself.

4.6 Sub-contractors must satisfy the eligibility criteria applicable to the award of the contract.

4.7 Those services entrusted to a sub-contractor by the Contractor cannot be entrusted to third parties by the sub-contractor.

4.8 Any change of sub-contractor without the prior written consent of the Contracting Authority shall be considered to be a breach of contract.

4.9 The Contracting Authority is to seek direction from the Department of Contracts before sanctioning any of the above mentioned clauses relating to Article 4 on sub-contracting.

B. OBLIGATIONS OF THE CONTRACTING AUTHORITY

Article 5 Supply of information

5.1 The Contracting Authority shall supply the Contractor promptly with any information and/or documentation at its disposal which may be relevant to the performance of the contract. Such documents shall be returned to the Contracting Authority at the end of the period of execution of the contract.

5.2 The Contracting Authority shall as far as possible co-operate with the Contractor to provide information that the latter may reasonably request in order to perform the contract.

Article 6 Assistance with local regulations

6.1 The Contractor may request the assistance of the Contracting Authority of the beneficiary country to obtain copies of laws, regulations, and information on local customs, orders or bylaws of the country in which the services are to be performed, which may affect the Contractor in the
performance of its obligations under the contract. The Contracting Authority may charge the Contractor for such assistance, which would be provided at the Contractor's own expense.

6.2 Subject to the provisions of the laws and regulations on foreign labour in the country in which the services are to be performed, the Contracting Authority of the beneficiary country shall make every effort to facilitate the procurement by the Contractor of all required visas and permits, including work and residence permits, for the personnel whose services the Contractor and the Contracting Authority consider necessary as well as residence permits for their families.

6.3 The Contracting Authority shall issue to its employees, agents and representatives all such instructions as may be necessary or appropriate to facilitate the prompt and effective performance of the services.

C. OBLIGATIONS OF THE CONTRACTOR

Article 7 General obligations

7.1 The Contractor shall respect and abide by all laws and regulations in force in the beneficiary country and shall ensure that its personnel, their dependants, and its local employees also respect and abide by all such laws and regulations. The Contractor shall indemnify the Contracting Authority against any claims and proceedings arising from any infringement by the Contractor, its employees and their dependants of such laws and regulations. Without prejudice to the above, the Contractor shall be bound to conform and comply with Chapter 452 of The Laws of Malta (Employment and Industrial Relations Act, 2002 - Act No. XXII of 2002) and to all regulations/legal notices that form part of this Act.

7.2 The Contractor shall perform the services under the contract with due care, efficiency and diligence, in accordance with the best professional practice.

7.3 The Contractor shall comply with administrative orders given by the Project Manager. Where the Contractor considers that the requirements of an administrative order go beyond the authority of the Project Manager or of the scope of the contract, it shall, on pain of being time-barred, notify the Project Manager, explaining its opinion, within 30 days after receipt thereof. Execution of the administrative order shall not be suspended because of this notice.

7.4 The Contractor shall treat all documents and information received in connection with the contract as private and confidential, and shall not, save in so far as may be necessary for the purposes of the performance thereof, publish or disclose any particulars of the contract without the prior consent in writing of the Contracting Authority or the Project Manager after consultation with the Contracting Authority. If any disagreement arises as to the necessity for any publication or disclosure for the purpose of the contract, the decision of the Contracting Authority shall be final.

7.5 If the Contractor is a consortium of two or more persons, all such persons shall be jointly and severally bound to fulfill the terms of the contract. The person designated by the consortium to act on its behalf for the purposes of this contract shall have the authority to bind the consortium.

7.6 Any alteration of the composition of the consortium without the prior written consent of the
Contracting Authority shall be considered to be a breach of contract.

7.7 Unless otherwise requested or agreed by the Contracting Authority, the Contractor shall take the necessary steps to ensure that the financial contribution of the EU is given adequate publicity. These steps must follow the rules applicable to the visibility of external actions as defined and published by the EC.

7.8 The Contractor shall, within 7 calendar days of receipt of the contract, sign and date the contract and return it. The Contractor is further obliged to forward the performance guarantee, within 3 days from the signature of the contract, to the Contracting Authority. The Contracting Authority will not effect any payment to the contractor until the performance guarantee is submitted. The amount of the guarantee shall be equivalent to 10% of the amount of the contract price, including any amounts stipulated in addenda to the contract.

In the case that the value of the contract does not exceed €10,000, no performance guarantee is required.

The performance guarantee shall be held against payment to the Contracting Authority for any loss resulting from the Contractor's failure to perform his contractual obligations fully and properly.

The performance guarantee shall be in the format given by the Contracting Authority, and must be provided in the form of a bank guarantee.

The performance guarantee shall be denominated in the currency in which the contract is payable. No payments shall be made in favour of the Contractor prior to the provision of the guarantee. The guarantee shall continue to remain valid until the contract has been fully and properly performed.

During the performance of the contract, if the natural or legal person providing the guarantor is not able to abide by his commitments, the guarantee shall cease to be valid. The Contracting Authority shall give formal notice to the Contractor to provide a new guarantee on the same terms as the previous one. Should the Contractor fail to provide a new guarantee, the Contracting Authority may: either suspend the payments due to the contractor till the guarantee is in place or terminate the contract. Before so doing, the Contracting Authority shall send a registered letter with acknowledgement of receipt, which shall set a new deadline of no less than 15 days from the day of delivery of the letter.

The Contracting Authority shall demand payment from the guarantee of all sums for which the guarantor is liable under the guarantee due to the Contractor's default under the contract, in accordance with the terms of the guarantee and up to the value thereof. The guarantor shall, without delay, pay those sums upon demand from the Contracting Authority and may not raise any objection for any reason whatsoever. Before making any claim under the performance guarantee, the Contracting Authority shall notify the Contractor stating the nature of the default in respect of which the claim is to be made.
8.1 The Contractor shall at all times act loyally and impartially and as a faithful adviser to the Contracting Authority in accordance with the rules and/or code of conduct of its profession as well as with appropriate discretion. It shall, in particular, refrain from making any public statements concerning the project or the services without the prior approval of the Contracting Authority, and from engaging in any activity which conflicts with its obligations towards the Contracting Authority under the contract. It shall not commit the Contracting Authority in any way whatsoever without its prior written consent, and shall, where appropriate, make this obligation clear to third parties.

8.2 For the period of execution of the contract, the Contractor and its personnel shall respect human rights and undertake not to offend the political, cultural and religious practices prevailing in the beneficiary country.

8.3 If the Contractor or any of its sub-contractors, personnel, agents or servants offers to give or agrees to offer or to give or gives to any person, any bribe, gift, gratuity or commission as an inducement or reward for doing or forbearing to do any act in relation to the contract or any other contract with the Contracting Authority, or for showing favour or disfavour to any person in relation to the contract or any other contract with the Contracting Authority, then the Contracting Authority may terminate the contract, without prejudice to any accrued rights of the Contractor under the contract.

8.4 The payments to the Contractor under the contract shall constitute the only income or benefit it may derive in connection with the contract and neither it nor its personnel shall accept any commission, discount, allowance, indirect payment or other consideration in connection with, or in relation to, or in discharge of, its obligations under the contract.

8.5 The Contractor shall not have the benefit, whether directly or indirectly, of any royalty, gratuity or commission in respect of any patented or protected article or process used in or for the purposes of the contract or the project, without the prior written approval of the Contracting Authority.

8.6 The Contractor and its staff shall maintain professional secrecy, for the duration of the contract and after completion thereof. In this connection, except with the prior written consent of the Contracting Authority, neither the Contractor nor the personnel employed or engaged by it shall at any time communicate to any person or entity any confidential information disclosed to them or discovered by them, or make public any information as to any other contractor, contractor or supplier with whom the Contractor is associated or affiliated shall be disqualified from the execution of works, supplies or other services for the project in any capacity, including tendering for any part recommendations formulated in the course of or as a result of the services. Furthermore, they shall not make any use prejudicial to the Contracting Authority, of information supplied to them and of the results of studies, tests and research carried out in the course and for the purpose of performing the contract.

8.7 The execution of the contract shall not give rise to unusual commercial expenses. If such unusual commercial expenses emerge, the contract will be terminated. Unusual commercial expenses are commissions not mentioned in the contract or not stemming from a properly concluded contract.
referring to the contract, commissions not paid in return for any actual and legitimate service,
commissions remitted to a tax haven, commissions paid to a recipient who is not clearly identified or commission
paid to a company which has every appearance of being a front company.

8.8 The Contractor shall supply to the Contracting Authority on request supporting evidence regarding
the conditions in which the contract is being executed. The Contracting Authority may carry out whatever
documentary or on-the-spot checks it deems necessary to find evidence in case of suspected unusual commercial
expenses.

Article 9 Conflict of interest

9.1 The Contractor shall take all necessary measures to prevent or end any situation that could
compromise the impartial and objective performance of the Contract. Such conflict of interests could arise in
particular as a result of economic interest, political or national affinity, family or emotional ties, or any other
relevant connection or shared interest. Any conflict of interests which could arise during performance of the Contract
must be notified in writing to the Contracting Authority without delay.

9.2 The Contracting Authority reserves the right to verify that such measures are adequate and may require additional measures to be taken if
necessary. The Contractor shall ensure that its staff, including its management, are not placed in a situation which could give rise to conflict of
interests. Without prejudice to Article 7, the Contractor shall replace, immediately and without compensation from the Contracting Authority, its
affiliates or other parties working with the Contracting Authority on this contract, any member of its staff exposed to such situation.

9.3 The Contractor shall refrain from any contact which would compromise its independence or that
of its personnel. If the Contractor fails to maintain such independence, the Contracting Authority may, without
prejudice to compensation for any damage which it may have suffered on this account, terminate the contract
forthwith, without giving formal notice thereof.

9.4 The Contractor shall after the conclusion or termination of the contract, limit its role in connection with
the project to the provision of the services. Except with the written permission of the Contracting Authority, the
Contractor and any other contractor, contractor or supplier with whom the Contractor is associated or affiliated shall
be disqualified from the execution of works, supplies or other services for the project in any capacity, including
tendering for any part of the project.

9.5 Civil servants and other agents of the public service of the beneficiary country, regardless of their administrative
situation, shall not be recruited as experts in contracts in the beneficiary country.

9.6 The Contractor and anyone working under its authority or control in the performance of the contract
or on any other activity shall be excluded from access to EC financing available under the same project.

Article 10 Administrative and financial penalties

10.1 Without prejudice to the application of penalties laid down in the contract, if the Contractor has
been guilty of making false declarations or has been found to have seriously failed to meet its
contractual obligations in an earlier procurement procedure, it shall be excluded from the award of contracts for a maximum of two years from the time when the infringement is established, to be confirmed after an adversarial procedure with the Contractor. The Contractor may justify its arguments against the penalty within 30 days of notification of it by recorded delivery or equivalent. In the absence of a reaction for its part or of the written withdrawal of the penalty by the Contracting Authority within 30 days of the above-mentioned arguments, the decision imposing the penalty will become binding. The period of exclusion may be extended to three years in the event of a repeat offence within five years of the first infringement.

10.2 Contractors who have been found to have seriously failed to meet their contractual obligations shall also be subject to financial penalties representing 10% of the total value of the Contract.

This rate may be increased to 20% in the event of a repeat offence within five years of the first infringement.

Article 11 Specifications and designs

11.1 The Contractor shall prepare all specifications and designs using accepted and generally recognised systems acceptable to the Contracting Authority and taking into account the latest design criteria.

11.2 The Contractor shall ensure that the specifications and designs and all documentation relating to procurement of goods and services for the project are prepared on an impartial basis so as to promote competitive tendering.

Article 12 Indemnification

12.1 At its own expense, the Contractor shall indemnify, protect and defend, the Contracting Authority and its affiliates for this contract, their agents and employees, from and against all actions, claims, losses or damage arising from any act or omission by the Contractor in the performance of the services, including any violation of any legal provisions, or rights of third parties, in respect of patents, trade marks and other forms of intellectual property such as copyrights.

12.2 At its own expense, the Contractor shall indemnify, protect and defend the Contracting Authority and its affiliates for this contract, their agents and employees, from and against all actions, claims, losses or damages arising out of the Contractor's performance of the contract provided that:

a) the Contractor is notified of such actions, claims, losses or damages not later than 30 days after the Contracting Authority becomes aware of them;

b) the ceiling on the Contractor's liability to the Contracting Authority shall be limited to an amount equal to the contract value, and such ceiling shall not apply to any losses or damages caused to third parties by the Contractor or by the Contractor's willful misconduct;

c) the Contractor's liability shall be limited to actions, claims, losses or damages directly caused by such failure to perform its obligations under the contract and shall not include liability arising from unforeseeable occurrences incidental or indirectly consequential to such failure.
12.3 At its own expense, the Contractor shall, upon request of the Contracting Authority, remedy any defect in the performance of the services in the event of the Contractor's failure to perform its obligations under the contract.

12.4 The Contractor shall have no liability whatsoever for actions, claims, losses or damages occasioned by:
   a) the Contracting Authority or its affiliates for this contract omitting to act on any recommendation, or overriding any act, decision or recommendation, of the Contractor, or requiring the Contractor to implement a decision or recommendation with which the Contractor disagrees or on which it expresses a serious reservation or
   b) the improper execution of the Contractor's instructions by agents, employees or independent contractors of the the Contracting Authority or its affiliates for this contract.

12.5 The Contractor shall remain responsible for any breach of its obligations under the contract for such period after the services have been performed as may be determined by the law governing the contract.

**Article 13 Medical, Insurance and Security arrangements**

13.1 The Contracting Authority may request the Contractor and/or its personnel performing the services to undergo a medical examination by a qualified medical practitioner before leaving their usual place of residence and shall as soon as is practicable furnish the Contracting Authority with the medical report resulting there from.

13.2 Unless otherwise stated in the Special Conditions, or the period of execution of the contract, the Contractor shall obtain medical insurance for itself and other persons employed or contracted by it under the contract. The Contracting Authority shall be under no liability in respect of the medical expenses of the Contractor.

13.3 Within 20 days of signing the contract, the Contractor shall take out and maintain a full indemnity insurance policy for a sum up to the higher of the maximum amount foreseen by the legislation of the country of the Contracting Authority and the amount foreseen by the legislation of the country in which the Contractor has its headquarters and covering, during the period of execution of the contract, the following aspects:
   a) the Contractor's liability in respect of sickness or industrial accident affecting its employees, including the cost of repatriation on health grounds;
   b) loss of, or damage to, the Contracting Authority's equipment used to perform the contract;
   c) civil liability in the event of accidents caused to third parties or to the Contracting Authority and any employee of that Authority arising out of the performance of the contract.
   d) accidental death or permanent disability resulting from bodily injury incurred in connection with the contract; and

13.4 The Contractor shall also insure the personal effects of its employees, experts and their families located in the beneficiary country against loss or damage.

13.5 The Contractor shall furnish proof of the insurance policy and of regular payment of premiums without delay whenever required to do so by the Contracting Authority or the Project Manager.

13.6 The Contractor shall put in place security measures for its employees, experts and their families
located in the beneficiary country commensurate with the physical danger facing them.

13.7 The Contractor will also be responsible for monitoring the level of physical risk to which its employees, experts and their families located in the beneficiary country are exposed and for keeping the Contracting Authority informed of the situation. In the event that the Contracting Authority or the Contractor shall become aware of an imminent threat of danger to the life or health of any of its employees, experts or their families, the Contractor may take immediate action to remove the individuals concerned to safety. If the Contractor takes such action, this must be communicated immediately to the Project Manager and may lead to suspension of the contract in accordance with Article 35.

13.8 Without prejudice to the above, the Contractor shall be bound to conform and comply with Chapter 424 of The Laws of Malta (Occupational Health and Safety Authority Act 2000) and to all regulations/legal notices that form part of this Act, as well as any other national legislation, regulations, standards, and/or codes of practice, in effect during the execution of the contract, regarding health and safety issues as they apply for the Contractor's particular operating situation and nature of work activities.

**Article 14 Intellectual and industrial property rights**

14.1 All reports and data such as maps, diagrams, drawings, specifications, plans, statistics, calculations, databases, software and supporting records or materials acquired, compiled or prepared by the Contractor in the performance of the contract shall be the absolute property of the Contracting Authority. The Contractor shall, upon completion of the contract, deliver all such documents and data to the Contracting Authority. The Contractor may not retain copies of such documents and data and shall not use them for purposes unrelated to the contract without the prior written consent of the Contracting Authority.

14.2 The Contractor shall not publish articles relating to the services or refer to them when carrying out any services for others, or divulge information obtained from the Contracting Authority, without the prior written consent of the Contracting Authority.

14.3 Any results or rights thereon, including copyright and other intellectual or industrial property rights, obtained in performance of the Contract, shall be the absolute property of the Contracting Authority, which may use, publish, assign or transfer them as it deems fit, without geographical or other limitation, except where intellectual or industrial property rights already exist.

**D. NATURE OF THE SERVICES**

**Article 15 The scope of the services**

15.1 The scope of the services is specified in Section 4 (Terms of Reference) and Section 4 (Organization & Methodology).

15.2 Where the contract is for an advisory function for the benefit of the Contracting Authority and/or Project Manager in respect of all the technical aspects of the project which may arise out of its execution, the Contractor shall not have decision-making responsibility.

15.3 Where the contract is for management of the execution of the project, the Contractor shall
assume all the duties of management inherent in supervising the execution of a project, subject to the Project Manager’s authority.

15.4 If the Contractor is required to prepare a tender dossier, the dossier shall contain all documents necessary for consulting suitable contractors, manufacturers and suppliers, and for preparing tender procedures with a view to carrying out the works or providing the supplies or services covered by an invitation to tender. The Contracting Authority shall provide the Contractor with the information necessary for drawing up the administrative part of the tender dossier.

**Article 16 Personnel and equipment**

16.1 The Contractor shall give written notification to the Contracting Authority including the CVs of all personnel which the Contractor intends to use for the implementation of the contract, other than the key experts included in Section 1. Section 4 (Terms of Reference and Organization & Methodology) shall specify the minimum level of training, qualifications and experience of the personnel and, where appropriate, the specialization required. The Contracting Authority may oppose the Contractor's choice of personnel on the basis of the contract.

16.2 All those working on the contract shall commence their duties on the date or within the period laid down in Section 4 (Terms of Reference and Organization & Methodology), or, failing this, on the date or within the periods notified to the Contractor by the Contracting Authority or the Project Manager as specified in Article 19 of the Special Conditions (Section 3).

16.3 Save as otherwise provided in the Special Conditions, those working on the contract shall reside close to their place of work. Where part of the services is to be performed outside the beneficiary country, the Contractor shall keep the Project Manager informed of the names and qualifications of staff assigned to that part of the services.

16.4 The Contractor shall:

   a) Forward to the Project Manager within 5 days of the signature of the contract by both parties, the timetable proposed for placement of the staff;

   b) Inform the Project Manager of the date of arrival and departure of each member of staff;

   c) Submit to the Project Manager for his written approval a timely request for the appointment of any non-key experts.

16.5 The Contractor shall adopt all measures necessary to provide and continue to provide its staff with the equipment and backup required to enable them to carry out their specified duties efficiently.

**Article 17 Replacement of Personnel, and Trainees**

17.1 The Contractor shall not make changes in the personnel agreed under the terms of the contract without notifying the Contracting Authority, which may oppose such a change on the basis of the contract.

17.2 The Contractor must on its own initiative propose a replacement in the following cases:

   a) In the event of death, in the event of illness or in the event of accident of a member of staffs;

   b) If it becomes necessary to replace a member of staff for any other reasons beyond the
Moreover, in the course of performance, and on the basis of a written and justified request, the Contracting Authority can ask for a replacement if it considers that a member of staff is inefficient or does not perform its duties under the contract.

Where a member of staff must be replaced, the replacement must possess at least equivalent qualifications and experience, and the remuneration to be paid to the replacement cannot exceed that received by the member of staff who has been replaced. Where the Contractor is unable to provide a replacement with equivalent qualifications and/or experience, the Contracting Authority may either decide to terminate the contract, if the proper performance of it is jeopardized, or, if it considers that this is not the case, accept the replacement, provided that the fees of the latter are renegotiated to reflect the appropriate remuneration level.

Additional costs incurred by the replacement of staff are the responsibility of the Contractor. Where the expert is not replaced immediately and it is some time before the new expert takes up its functions, the Contracting Authority may ask the Contractor to assign to the project a temporary expert pending the arrival of the new expert, or to take other measures to compensate for the temporary absence of the missing expert. Whatever the case may be, the Contracting Authority makes no payment for the period of the expert's or his/her replacement's absence.

If required in the terms of reference, the Contractor shall provide training for the period of execution of the contract for trainees assigned to it by the Contracting Authority under the terms of the contract.

Instruction by the Contractor of such trainees shall not confer on them the status of employees of the Contractor. However, they must comply with the Contractor's instructions, and with the provisions of Article 8, as if they were employees of the Contractor. The Contractor may on reasoned request in writing obtain the replacement of any trainee whose work or conduct is unsatisfactory.

Unless otherwise provided in the contract, remuneration for trainees and travel, accommodation and all other expenses incurred by the trainees, shall be borne by the Contracting Authority.

The Contractor shall report at quarterly intervals to the Contracting Authority on the training assignment. Immediately prior to the end of the period of execution of the contract, the Contractor shall draw up a report on the result of the training and an assessment of the qualifications obtained by the trainees with a view to their future employment. The form of such reports and the procedure for presenting them shall be as laid down in the terms of reference.

E. EXECUTION OF THE CONTRACT

Article 18 Execution of the Contract

The Contracting Authority shall fix the date on which performance of the contract is to commence in the Special Conditions, and advise the Contractor thereof either in the notice of award of the contract or by administrative order issued by the Project Leader, the Project Manager or his representative.
18.2 The period of execution of tasks shall commence on the date fixed in accordance with Article 18.1 and shall be as stated in the Special Conditions, without prejudice to extensions of the period which may be granted under Article 19.7.

**Article 19 Delays in execution**

19.1 If the Contractor does not perform the services within the period of execution specified in the contract, the Contracting Authority shall, without formal notice and without prejudice to its other remedies under the contract, be entitled to liquidated damages for every day, or part thereof, which shall elapse between the end of the period of execution specified in the contract and the actual end of the period of execution.

19.2 The daily rate for liquidated damages is calculated by dividing the contract value by the number of days of the period of execution.

19.3 If these liquidated damages exceed more than 15% of the contract value, the Contracting Authority may, after giving notice to the Contractor:

   a) terminate the contract; and
   b) complete the services at the Contractor's own expense.

19.4 Besides the penalties for delay envisaged in these conditions and without prejudice to all his other liabilities arising out of the contract, the contractor shall also become liable to a penalty if the rate of progress of the work throughout the contract period is not satisfactory. The contractor shall be considered to be in default if he fails to carry out every month at least 70% of the estimated monthly average progress. For the purpose of assessing such average progress the value of the contract shall be divided by the number of months stipulated in the contract period. Within each month the contractor should complete works whose value is equivalent to the average progress obtained as above. However, in the case of contracts having a completion period of 6 or more months, no penalty shall be imposed in respect of the first month from the date of allocation of the contract. Should the contractor's progress fall below the minimum percentage progress, he will become liable to a penalty equivalent to 2% of the value of the contract in respect of every month during which progress is below standard. If the contractor completes the whole contract within the stipulated period, the Government may consider the refund of any penalties the contractor may have incurred for slow monthly progress.

19.5 Without prejudice to the above the Contractor may request an extension to the period of execution if his performance of the contract is delayed, or expected to be delayed, for any of the following reasons:

   a) extra or additional services ordered by the Contracting Authority;
   b) exceptional weather conditions in the country of the Contracting Authority which may affect installation or erection of the supplies;
   c) physical obstructions or conditions which may affect execution of the services, which could not reasonably have been foreseen by a competent contractor;
   d) administrative orders affecting the date of completion other than those arising from the
Contractor's default;
e) failure of the Contracting Authority to fulfil its obligations under the contract;
f) any suspension of the execution of the services which is not due to the Contractor's default;
g) force majeure;
h) any other causes referred to in these General Conditions which are not due to the Contractor's default.

19.6 Within 15 days of realising that a delay might occur, the Contractor shall notify the Project Manager of his intention to make a request for extension of the period of performance to which he considers himself entitled and, save where otherwise agreed between the Contractor and the Project Manager, within 30 days provide the Project Manager with comprehensive details so that the request can be examined.

19.7 Within 30 days the Project Manager shall, by written notice to the Contractor after due consultation with the Contracting Authority and where appropriate, the Contractor and after having obtained written approval from the Contracting Authority, grant such extension of the period of performance as may be justified, either prospectively or retrospectively, or inform the Contractor that he is not entitled to an extension.

**Article 20 Amendment of the contract**

20.1 Any amendment of the contract must be set out in writing in an addendum, to be concluded on the same terms as the original contract. If the request for an amendment comes from the Contractor, the latter must submit such a request to the Contracting Authority at least 30 days before the amendment is intended to enter into force, except in cases which are duly substantiated by the Contractor and accepted by the Contracting Authority.

However, where the amendment does not affect the basic purpose of the contract and, for a fee-based contract, the financial impact is limited to a transfer within the Fees involving a variation of less than 15% of the original amount for the relevant line in the Budget breakdown, the Project Manager shall have the power to order any variation to any part of the services necessary for the proper execution of the contract, without changing the object or scope of the contract. Such variations may include additions, omissions, substitutions, changes in quality, quantity, specified sequence, method or timing of performance of the services.

Prior to any administrative order for variation, the Project Manager shall notify the Contractor of the nature and form of such variation. As soon as possible, after receiving such notice, the Contractor shall submit to the Project Manager a written proposal containing:

- a) a description of the service to be performed or the measures to be taken and a programme for execution; and
- b) any necessary modifications to the programme of performance or to any of the Contractor's obligations under the contract; and
- c) For a fee-based contract, any adjustment to the contract value in accordance with the following principles:

  - (i) where the task is of similar character and executed under similar conditions to an
item priced in the budget breakdown the equivalent numbers of working days shall be valued at the fee rates contained therein;

(ii) where the task is not of a similar character or is not executed under similar conditions, the fee rates in the contract shall be applied to the estimated numbers of working days so far as is reasonable, failing which, a fair estimation shall be made by the Project Manager.

(iii) where a variation is necessitated by a default or breach of contract by the Contractor, any additional cost attributable to such variation shall be borne by the Contractor.

20.4 Following the receipt of the Contractor's proposal, the Project Manager shall decide as soon as possible whether or not the variation shall be carried out. If the Project Manager decides that the variation shall be carried out he shall issue the administrative order stating that the variation shall be carried out, either prospectively or retrospectively, under the conditions given in the Contractor's proposal or as modified by the Project Manager in accordance with Article 20.4.

20.5 On receipt of the administrative order requesting the variation, the Contractor shall proceed to carry out the variation and be bound by these General Conditions in so doing as if such variation were stated in the contract.

20.6 The Contracting Authority shall give written notification to the Contractor of the name and address of the Project Manager. The Contractor shall give written notification to the Contracting Authority of the name and address of its contact, bank account and auditor for the contract. The Contractor must use the form annexed to these conditions for notification or modification of its bank account. The Contracting Authority shall have the right to oppose the Contractor's choice of bank account or auditor.

20.7 All payments made by the Contracting Authority into the bank account specified in the contract will have liberating effect.

20.8 Any change to the contract which has not been made in the form of an administrative order or an addendum or in accordance with Article 20.1 shall be considered null and void.

**Article 21 Working hours**

21.1 The days and hours of work of the Contractor or the Contractor's personnel in the beneficiary country shall be fixed on the basis of the laws, regulations and customs of the beneficiary country and the requirements of the services.

**Article 22 Information**

22.1 The Contractor shall furnish the Project Manager, the Contracting Authority, the European Commission or the European Court of Auditors with such information relating to the services and the project as they
may at any time request.

**Article 23 Verification and checks**

23.1 The Contractor will allow all auditing bodies identified by the Contracting Authority, or any local EU institution regularizing EU funds through which this project is being implemented to verify, by examining the documents or by means of on-the-spot checks, the implementation of the project and conduct a full audit, if necessary, on the basis of supporting documents for the accounts, accounting documents and any other document relevant to the financing of the project. These inspections may take place up to 7 years after the final payment.

Furthermore, the Contractor will allow the auditing bodies to carry out checks and verification on the spot in accordance with the procedures set out in respective legislation.

To this end, the Contractor undertakes to give appropriate access to staff or agents of the auditing bodies to the sites and locations at which the Contract is carried out, including its information systems, as well as all documents and databases concerning the technical and financial management of the project and to take all steps to facilitate their work. Access given to agents of the auditing bodies shall be on the basis of confidentiality with respect to third parties, without prejudice to the obligations of public law to which they are subject. Documents must be easily accessible and filed so as to facilitate their examination and the Consultant must inform the Contracting Authority of their precise location.

The Contractor guarantees that the rights of the auditing bodies to carry out audits, checks and verification will be equally applicable, under the same conditions and according to the same rules as those set out in this Article, to any sub-contractor or any other party.

**Article 24 Interim and final progress reports**

24.1 The Contractor must prepare progress reports during the period of execution of the contract. For a fee-based contract, these progress reports must be accompanied by a financial report. The format of such reports is as specified by a template marked 'Audit Certificate', if any, or, in the absence of a template, as notified to the Contractor by the Project Manager during the period of execution of the Contract.

24.2 All invoices (not including the request for the pre-financing payment) must be accompanied by a progress report and the final invoice must be accompanied by a final progress report. All invoices for a fee-based contract must also be accompanied by a financial report.

24.3 Immediately prior to the end of the period of execution of the contract, the Contractor shall draw up a final progress report together which must include, if appropriate, a critical study of any major problems which may have arisen during the performance of the contract.

24.4 This final progress report shall be forwarded to the Project Manager not later than 10 days after the end of the period of execution defined in Article 19 of the Special Conditions. Such report shall not bind the Contracting Authority.

24.5 Where the contract is performed in phases, the execution of each phase shall give rise to the preparation of a final progress report by the Contractor.
Interim and final progress reports are covered by the provisions of Article 14.

**Article 25 Approval of reports and documents**

25.1 The approval by the Contracting Authority of reports and documents drawn up and forwarded by the Contractor shall certify that they comply with the terms of the contract.

25.2 The Contracting Authority shall, within 20 days of receipt, notify the Contractor of its decision concerning the documents or reports received by it, giving reasons should it reject the reports or documents, or request amendments. For the final progress report, the time limit is extended to 30 days. If the Contracting Authority does not give any comments on the documents or reports within the time limit, the Contractor may request written acceptance of them. The documents or reports shall be deemed to have been approved by the Contracting Authority if it does not expressly inform the Contractor of any comments within 45 days of the receipt of this written request.

25.3 Where a report or document is approved by the Contracting Authority subject to amendments to be made by the Contractor, the Contracting Authority shall, prescribe a period for making the amendments requested.

25.4 Where the final progress report of a global price contract is not approved, the dispute settlement procedure is automatically invoked.

25.5 Where the contract is performed in phases, the execution of each phase shall be subject to the approval, by the Contracting Authority, of the preceding phase except where the phases are carried out concurrently.

**F. PAYMENTS & DEBT RECOVERY**

**Article 26 Payments and interest on late payment**

26.1 Payments will be made in accordance with one of the two options below, as identified in Article 26.1 of the Special Conditions. When the Contractor is carrying out either Health services or economic activities of an industrial and commercial nature, the Contracting Authority shall pay the Contractor sums due within 60 days of the date on which an admissible payment is registered. For all other instances a 60-day period is to apply unless specified in the Special Conditions.

*Option 1: Fee-based (unit-price) contract*

The Contracting Authority will make payments to the Contractor in the following manner:

Payments will be effected following certification of works by the Project Manager. Payments can only be effected upon following signature of the Contract by both parties and receipt by the Contracting Authority of a financial guarantee as defined in Article 27.
Option 2: Global price contract

The Contracting Authority will make payments to the Contractor in the following manner: payments will be effected following certification of works. Such approval or rejection may not be delayed by more than 60 days.

The payment deadline of 60 calendar days referred to in Article 26.1 shall expire on the date on which the Contracting Authority's account is debited. An electronic copy of the invoice must be sent to the Contracting Authority within 24hrs from the time it is issued by the Contractor. The original copy (on which payments will be effected) must reach the Contracting Authority not later than 5 working days from the time it is issued by the Contractor. It is the responsibility of the Contractor to ask for a receipt each time s/he sends an invoice.

Without prejudice to Article 34.3, the Contracting Authority may halt the countdown towards this deadline for any part of the invoiced amount disputed by the Project Manager by notifying the Contractor that part of the invoice is inadmissible, either because the amount in question is not due, or because the relevant report cannot be approved and the Contracting Authority thinks it necessary to conduct further checks, or because any of the guarantees contemplated in this contract have either not been submitted by the contractor, or if they have been submitted these have expired and have not been renewed. In such cases, the Contracting Authority must not unreasonably withhold any undisputed part of the invoiced amount but may request clarification, alteration or additional information, which must be produced within 30 days of the request. The countdown towards the deadline will resume on the date on which a correctly formulated invoice is received by the Contracting Authority.

Once the deadline referred to above has expired, the Contractor may, within two months of late payment, claim late-payment interest meaning simple interest for late payment at a rate which is equal to the sum of the reference rate and at least two percent (2%); on the first day of the month in which the deadline expired. The late-payment interest shall apply to the time which elapses between the date of the payment deadline (exclusive), and the date on which the Contracting Authority's account is debited (inclusive).

Payments due from the Contracting Authority shall be made into the bank account notified by the Contractor in accordance with Article 20.7. In the case of acquisitions from service providers who are not registered with the VAT Authority in Malta, VAT shall be accounted for and paid by the Contracting Authority directly to the tax authorities in Malta.

The Contracting Authority must be invoiced in Euro (€) will make payments in Euro (€).

Payment of the final balance shall be subject to performance by the Contractor of all its obligations relating to the execution of all phases or parts of the services and to the approval by the Contracting Authority of the final phase or part of the services. Final payment shall be made only after the final progress report and a final statement, identified as such, shall have been submitted by the Contractor and approved as satisfactory by the Contracting Authority.

If any of the following events occurs and persists, the Contracting Authority may, by written
notice to the Contractor, suspend in whole or in part, payments due to the Contractor under the Contract:

a) the Contractor defaults in the execution of the contract;
b) any other condition for which the Contractor is responsible under the contract and which, in the opinion of the Contracting Authority, interferes, or threatens to interfere, with the successful completion of the project or the contract.

26.8 The payment obligations under this Contract shall cease at most 18 months after the end of the period of execution of the tasks, unless the Contract is terminated in accordance with Article 34.1 of the General Conditions.

**Article 27 Financial guarantee**

27.1 The Contractor must provide a financial guarantee for the full amount of the pre-financing payment. This financial guarantee must remain valid until it is released by the Contracting Authority in accordance with Article 27.5 or Article 27.6, as appropriate.

27.2 The financial guarantee shall be provided as required in the Special Conditions, and must be provided on the letterhead of the financial institution using the template provided in Section 5.

27.3 Should the financial guarantee cease to be valid and the Contractor fail to re-validate it, the Contracting Authority may either make deductions from future payments due to the Contractor under the Contract up to the total of the payments already made, or terminate the Contract if in the opinion of the Contracting Authority such deduction is impracticable.

27.4 If the contract is terminated for any reason whatsoever, the financial guarantee may be invoked forthwith in order to repay any balance still owed to the Contracting Authority by the Contractor, and the guarantor shall not delay payment or raise objection for any reason whatever.

27.5 For fee-based contracts, the financial guarantee must remain in force until the final certified value established in the audit certificate referred to in Article 30 has been accepted by the Contracting Authority. If the final certified value is greater than the total of the payments already made to the Contractor by the Contracting Authority under the Contract, the financial guarantee must be released within 45 days of the acceptance of the final audit certificate by the Contracting Authority. If not, the financial guarantee may be reduced to cover the difference between the final certified value and the total of the payments already made to the Contractor by the Contracting Authority under the Contract and the financial guarantee must be released within 45 days of repayment of the difference by the Contractor.

27.6 For global price contracts, the financial guarantee must remain in force until the submission by the Contractor and approval by the Contracting Authority of the first interim report.

**Article 28 Audit certificate**

28.1 No audit certificate is required for global price contracts.

28.2 Before the final payment is made for a fee-based contract, an independent and impartial auditor who is a member of an internationally recognized supervisory body for statutory auditing, notified
by the Contractor in accordance with Article 20.7, must examine the invoices sent by the Contractor to the Contracting Authority.

28.3 The auditor must satisfy himself that relevant, reliable and sufficient evidence exists that the experts employed by the Contractor for this contract have actually been working on the contract (as corroborated by independent, third-party evidence, where available) for the number of days/hours claimed in the Contractor's invoices and in the financial reports submitted with the interim progress reports;

28.4 On the basis of his examination, the auditor must certify the final value of the contract using the audit certificate template. The final payment, if any, is the difference between this final certified value and the total amounts already paid, subject to the maximum contract value stated in the contract.

**Article 29 Recovery of debts from the Contractor**

29.1 The Contractor shall repay any amounts paid in excess of the final certified value due to the Contracting Authority within 45 days of receiving a request to do so.

29.2 Any amount which the Contracting Authority has paid, or caused to be paid, in excess of the Contractor's entitlement under the contract, shall be repaid by the Contractor to the Contracting Authority within 45 days after receipt by the Contractor of a request for repayment.

29.3 Should the Contractor fail to make repayment within the above deadline, the Contracting Authority may increase the amounts due by adding interest at the rediscount rate applied by the central bank of the beneficiary country, on the first day of the month in which the deadline expired, plus seven percentage points. The late-payment interest shall apply to the time which elapses between the date of the payment deadline (exclusive), and the date on which the Contractor's account is debited (inclusive). Any partial payments shall cover the interest thus established.

Should the Contractor fail to repay the original balance within the above deadline and any interest added in accordance with Article 29.3, the Contracting Authority may call upon the financial guarantee referred to in Article 27, if any.

Amounts to be repaid to the Contracting Authority may be offset against amounts of any kind due to the Contractor. This shall not affect the right of the Contractor and the Contracting Authority to agree on repayment by instalments.

Bank charges arising from the repayment of amounts due to the Contracting Authority shall be borne entirely by the Contractor.

**Article 30 Revision of prices**

30.1 Subject to the provisions of Article 20 of the General Conditions, the global price of a global price contract and the fee rates of a fee-based contract shall not be revised.

Provided that, tender prices in respect of hourly or daily rates, will be revised should Cost of Living Adjustment (COLA) be authorised between the closing date of the call for tenders and the conclusion of the contract.
**Article 31 Payment to third parties**

31.1 All orders for payments to third parties may be carried out only after an assignment made in accordance with Article 3.

31.2 Notification of beneficiaries of assignment shall be the sole responsibility of the Contractor.

31.3 In the event of a legally binding attachment of the property of the Contractor affecting payments due to it under the contract and without prejudice to the time limit laid down in Article 26, the Contracting Authority shall have 60 days, starting from the day when it receives notification of the definitive lifting of the obstacle to payment, to resume payments to the Contractor.

**G. BREACH OF CONTRACT AND TERMINATION**

**Article 32 Breach of contract**

32.1 Either party commits a breach of contract where it fails to discharge any of its obligations under the contract.

32.2 Where a breach of contract occurs, the party injured by the breach shall be entitled to the following remedies:

   a) damages; and/or

   b) termination of the contract.

32.3 Damages may be:

   a) general damages; or

   b) liquidated damages.

32.4 In any case where the Contracting Authority is entitled to damages, it may deduct such damages from any sums due to the Contractor or call on the appropriate guarantee.

32.5 The Contracting Authority shall be entitled to compensation for any damage which comes to light after the contract is completed in accordance with the law governing the contract.

**Article 33 Suspension**

33.1 The Contracting Authority is entitled to suspend the performance of the services or any part thereof for such time and in such manner as it may consider necessary.

33.2 If the period of suspension exceeds 90 days and the suspension is not due to the Contractor's default, the Contractor may, by notice to the Project Manager, request permission to resume execution of the services within 30 days or terminate the contract.

33.3 Where the award procedure or execution of the contract is vitiated by substantial errors or irregularities or by fraud, the Contracting Authority shall suspend execution of the contract.

33.4 Where such errors, irregularities or fraud are attributable to the Contractor, the Contracting
Authority may in addition refuse to make payments or may recover amounts already paid, in proportion to the seriousness of the errors, irregularities or fraud.

33.5 The suspension of the Contract is intended to allow the Contracting Authority to verify whether presumed substantial errors or irregularities or fraud have actually occurred. If they are not confirmed, execution of the contract shall resume as soon as possible.

**Article 34 Termination by the Contracting Authority**

34.1 This contract shall terminate automatically if it has not given rise to any payment within a period of three years after its signature by both parties.

34.2 Termination shall be without prejudice to any other rights or powers under the contract of the Contractor.

34.3 In addition to the grounds for termination defined in these General Conditions, the Contracting Authority may terminate the contract after giving 7 days' notice to the Contractor in any of the following cases:

a) the Contractor fails substantially to carry out its obligations under the contract;

b) the Contractor fails to comply within a reasonable time with the notice given by the Project Manager requiring it to make good the neglect or failure to perform its obligations under the contract which seriously affects the proper and timely execution of the services;

c) the Contractor refuses or neglects to carry out administrative orders given by the Project Manager;

d) the Contractor assigns the contract or subcontracts without the authorization of the Contracting Authority;

e) the Contractor becomes bankrupt or is being wound up, is having its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, is the subject of proceedings concerning those matters, or is in any analogous situation arising from a similar procedure provided for in national legislation or regulations;

f) the Contractor has been convicted of an offence concerning its professional conduct by a judgment which has the force of *res judicata*;

g) the Contractor has been guilty of grave professional misconduct proven by any means which the Contracting Authority can justify;

h) the Contractor has been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organization or any other illegal activity detrimental to the financial interests of the EC;

i) following another procurement procedure or grant award procedure financed by the EC budget, the Contractor has been declared to be in serious breach of contract for failure to comply with its contractual obligations;

j) an organisational modification occurs involving a change in the legal personality, nature or control of the Contractor, unless such modification is recorded in an addendum to the contract;

k) any other legal disability hindering performance of the contract occurs;

l) the Contractor fails to provide the required guarantees or insurance, or the person providing the underlying guarantee or insurance is not able to abide by its commitments;

m) the Contractor fails to submit any bank guarantee as requested by this contract.
The Contracting Authority may, thereafter, complete the services itself, or conclude any other contract with a third party, at the Contractor's own expense. The Contractor's liability for delay in completion shall immediately cease when the Contracting Authority terminates the Contracts without prejudice to any liability thereunder that may have already been incurred.

Upon termination of the contract or when it has received notice thereof, the Contractor shall take immediate steps to bring the services to a close in a prompt and orderly manner and in such a way as to keep costs to a minimum.

The Project Manager shall, as soon as is possible after termination, certify the value of the services and all sums due to the Contractor as at the date of termination.

The Contracting Authority shall not be obliged to make any further payments to the Contractor until the services are completed, whereupon the Contracting Authority shall be entitled to recover from the Contractor the extra costs, if any, of completing the services, or shall pay any balance due to the Contractor.

If the contract is terminated, the Contracting Authority shall be entitled to recover from the Contractor any loss it has suffered up to the maximum amount stated in the contract. If no maximum amount is stated, the Contracting Authority shall, without prejudice to its other remedies under the contract, be entitled to recover that part of the contract value which is attributable to that part of the services which has not, by reason of the Contractor's failure, been satisfactorily completed.

The Contractor shall not be entitled to claim, in addition to sums owing to it for work already performed, compensation for any loss or injury suffered.

**Article 35 Termination by the Contractor**

The Contractor may, after giving 14 days notice to the Contracting Authority and the terminate the contract if the Contracting Authority:

a) fails to pay the Contractor the amounts due under any certificate of the Project Manager after the expiry of the time limit stated in Article 26; or

b) consistently fails to meet its obligations after repeated reminders; or

c) suspends the progress of the services or any part thereof for more than 90 days for reasons not specified in the contract, or not due to the Contractor's default.

Such termination shall be without prejudice to any other rights of the Contracting Authority or the Contractor acquired under the contract.

In the event of such termination, the Contracting Authority shall pay the Contractor for any loss or injury the Contractor may have suffered. Such additional payment may not be such that the total payments exceed the amount specified in Article 3 of the Special Conditions.

**Article 36 Force majeure**

Neither party shall be considered to be in breach of its obligations under the contract if the performance of such obligations is prevented by any circumstances of force majeure which arise after the date of signature of the contract by both parties.
The term "force majeure", as used herein shall mean acts of God, strikes, lock-outs or other industrial disturbances, acts of the public enemy, wars, whether declared or not, blockades, insurrection, riots, epidemics, landslides, earthquakes, storms, lightning, floods, washouts, civil disturbances, explosions, and any other similar unforeseeable events, beyond the control of either party and which by the exercise of due diligence neither party is able to overcome.

A party affected by an event of force majeure shall take all reasonable measures to remove such party's inability to fulfill its obligations hereunder with a minimum of delay.

Notwithstanding the provisions of Article 33, the Contractor shall not be liable for liquidated damages or termination for default if, and to the extent that, its delay in performance or other failure to perform its obligations under the contract is the result of an event of force majeure. The Contracting Authority shall similarly not be liable, notwithstanding the provisions of Article 26 and Article 35, to payment of interest on delayed payments, for non-performance or for termination by the Contractor for default, if, and to the extent that, the Contracting Authority's delay or other failure to perform its obligations is the result of force majeure.

If either party considers that any circumstances of force majeure have occurred which may affect performance of its obligations it shall notify the other party immediately giving details of the nature, the probable duration and likely effect of the circumstances. Unless otherwise directed by the Project Manager in writing, the Contractor shall continue to perform its obligations under the contract as far as is reasonably practicable, and shall seek all reasonable alternative means for performance of its obligations which are not prevented by the force majeure event. The Contractor shall not put into effect such alternative means unless directed so to do by the Project Manager.

For a fee based contract, if the Contractor incurs additional costs in complying with the Project Manager's directions or using alternative means under Article 36.5 the amount thereof shall be certified by the Project Manager subject to the maximum contract value.

If circumstances of force majeure have occurred and persist for a period of 180 days then, notwithstanding any extension of the period of execution that the Contractor may by reason thereof have been granted, either party shall be entitled to serve upon the other 30 days' notice to terminate the contract. If at the expiry of the period of 30 days the situation of force majeure persists, the contract shall be terminated and, in consequence thereof, the parties shall be released from further performance of the contract.

Article 37 Decease

If the Contractor is a natural person, the contract shall be automatically terminated if that person dies. However, the Contracting Authority shall examine any proposal made by his heirs or beneficiaries if they have notified their wish to continue the contract within 15 days of the date of decease. The decision of the Contracting Authority shall be notified to those concerned within 30 days of receipt of such a proposal.

If the Contractor is a group of natural persons and one or more of them die, a report shall be agreed between the parties on the progress of the services and the Contracting Authority
shall decide whether to terminate or continue the contract in accordance with the undertaking given within 15 days of the date of decease by the survivors and by the heirs or beneficiaries, as the case may be. The decision of the Contracting Authority shall be notified to those concerned within 30 days of receipt of such a proposal.

37.3 Such persons shall be jointly and severally liable for the proper performance of the contract to the same extent as the Contractor. Continuation of the contract shall be subject to the rules relating to establishment of any guarantee provided for in the contract.

H. SETTLEMENT OF DISPUTES

Article 38 Settlement of disputes

38.1 The Contracting Authority and the Contractor shall make every effort to settle amicably any dispute relating to the contract which may arise between them, or between the Project Manager and the Contractor.

38.2 Once a dispute has arisen, the parties to this contract shall notify each other in writing of their positions on the dispute as well as of any solution which they envisage possible. If either of the parties to this contract deems it useful, the parties shall meet and try to settle the dispute. Each party shall respond to a request for amicable settlement within 30 days of such request. The period to reach an amicable settlement shall be 120 days from the date of the request. Should the attempt to reach an amicable settlement be unsuccessful or should a party not respond in time to any requests for settlement, each party shall be free to proceed to the next stage in reaching a settlement by notifying the other party.

38.3 In the absence of an amicable settlement, any dispute between the Parties that may arise during the performance of this contract and that has not been possible to settle otherwise between the Parties shall be submitted to the arbitration of the Malta Arbitration Centre in accordance with the Arbitration Act (Chapter 387) of the Laws of Malta.

Global price for carrying out local promotion in relation to the ‘promotion of Gozo as a distinct destination’ project as outlined in the Tender Document, Advert Number GTA/02/14:

**FINANCIAL BID BREAKDOWN**

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<th>Description of Service</th>
<th>Price inclusive of all taxes but excluding VAT Amount in Euro (€)</th>
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<td>Web mobile version and blogging platform</td>
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<td>Setting up of booking engine and office support</td>
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