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Projekat finansira Evropska unija

Municipal Infrastructure Support Programme

●●● Building together for the future

Program podrške razvoju infrastrukture lokalne samouprave

●●● Gradimo zajedno za budućnost



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TRAINING ON PRAG/FIDIC PROCEDURES FOR WORKS CONTRACTS 9 – 10 December 2010

Practical Guide to Contract procedures – PRAG - For EU external actions



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The Practical Guide explains the contracting procedures applying to all EU external aid contracts financed from the EU general budget (Budget) and the 10th European Development Fund (EDF)



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What does the Practical Guide not cover?

The Commission acts as Contracting Authority on its own account

Operations implemented in the context of Humanitarian aid or emergency operations

Direct labour operations are programmes executed by public or public-private agencies



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Management modes

➤ **Direct Centralised:**

the European Commission is the Contracting Authority and takes decisions for the beneficiary country.

➤ **Indirect Centralised:**

In this case, certain implementation tasks shall be delegated by the European Commission to a national body, which thus becomes Contracting Authority.

➤ **Decentralised:**

Ex-ante: decisions are taken by the Beneficiary country, and referred for approval to the European Commission.

Ex-post: decisions foreseen in the Financing Agreement are taken by the Beneficiary country without prior reference to the European Commission



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DIRECT CENTRALISED

- Procedures to be followed under a direct centralised programme like IPA in Serbia: Contracts are concluded directly by the European Commission acting for the beneficiary country. EUD is responsible for issuing invitations to tender, receiving tenders, chairing tender Evaluation Committees, deciding on the results of tender procedures and signing the contracts.



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Eligibility criteria and other essentials

- The rule on nationality and origin
 - Nationality
 - Origin of goods
 - Exceptions to the rule on nationality and origin
- Grounds for exclusion

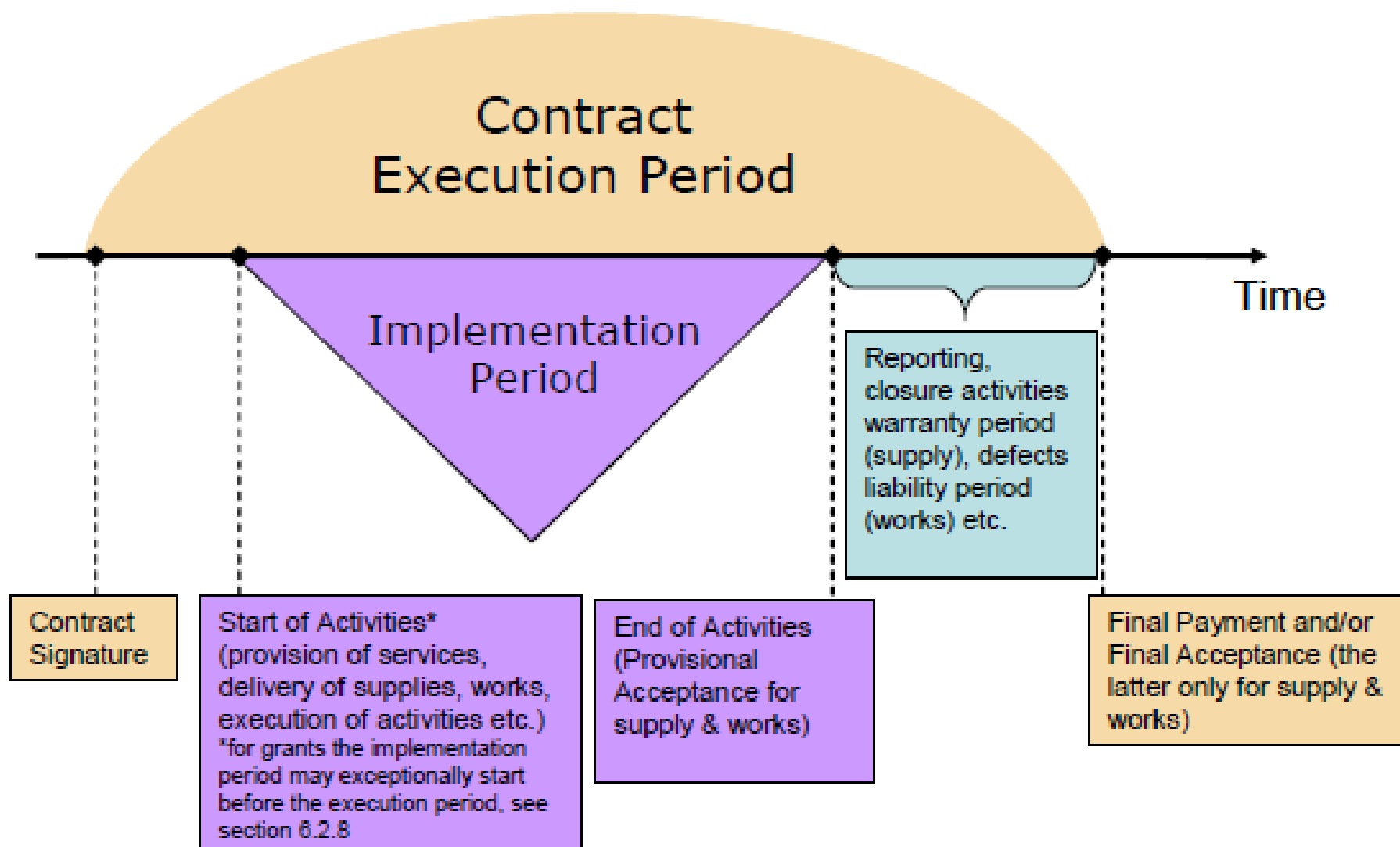


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- a) they are bankrupt or being wound up, are having their affairs administered by the courts
- b) they have been convicted of an offence concerning their professional conduct by a judgment which has the force of res judicata; (i.e. against which no appeal is possible);
- c) they have been guilty of grave professional misconduct proven by any means which the Contracting Authority can justify;
- d) they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established
- e) they have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the EU's financial interests;
- f) they are currently subject to an administrative penalty referred to in Article 96(1) of the Financial Regulation (BUDGET)/





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Procurement procedures

SERVICES	$\geq \text{€ } 200,000$ International restricted tender procedure	1. $< \text{€ } 200,000$ but $> \text{€ } 10,000$ Framework contracts 2. Competitive negotiated procedure		$\leq \text{€ } 10,000$ Single tender
SUPPLIES	$\geq \text{€ } 150,000$ International open tender procedure	$< \text{€ } 150,000$ but \geq $\text{€ } 60,000$ Local open tender procedure	$< \text{€ } 60,000$ but $>$ $\text{€ } 10,000$ Competitive negotiated procedure	
WORKS	1. \geq $\text{€ } 5,000,000$ International open tender procedure 2. International restricted tender procedure	$< \text{€ } 5,000,000$ but \geq $\text{€ } 300,000$ Local open tender procedure	$< \text{€ } 300,000$ but $>$ $\text{€ } 10,000$ Competitive negotiated procedure	



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Works contracts

- cover either the execution, or both the execution and design, of works or a work related to one of the activities referred to in Annex I to
- Directive 2004/18/EC of the European Parliament and the Council (BUDGET)
- or the realisation, by whatever means, of a work corresponding to the requirements specified by the Contracting Authority. A 'work' means the outcome of building or civil engineering works taken as a whole that is sufficient of itself to fulfil an economic or technical function.



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Modifying works contracts

A request for contract modifications should not automatically be accepted by the Contracting Authority. There must be justified reasons for modifying a contract. The Contracting Authority must examine the reasons given and reject requests which have little or no substantiation.

No contract modification:

In the overall majority of cases, the works contract stipulates that it is paid by measurement: in such contracts, the quantities indicated in the bill of quantities. In no way, can a contract addendum or administrative order be used to obtain additional works which are not necessary for the completion of the initial contract.

It is necessary to proceed to the modifications through contract addendum when such variation would result in an increase or reduction of the total value of the works in excess of 15% the percentage of the initial contract price.



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Thank you!

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