

Request for Proposals (RFP)

RFP Number:	#StartupCityCahul-2022-009
Issuance date	April 19, 2022
Deadline for offers	April 29, 2022, 15:00 Chisinau time
Description	Provision of Internal Control Systems Assessment for the Startup Foundation Moldova (SMF)
For	Eu4Moldova: Startup City Cahul Project
Funded By	European Union in Moldova through a delegated agreement with Sweden
Issued by	National Association of ICT Companies (ATIC)
ATIC Point of Contact:	achirita@ict.md – Ana Chirita, Strategic Projects Director livadari@ict.md - Liuba Livadari, Procurement Consultant

SECTION 1: INTRODUCTION AND INSTRUCTIONS TO OFFERORS

1.1 Acronyms and Definitions

ATIC	National Association of ICT Companies
Donor	Organization that finances the implemented project/program
EU	European Union
ICT	Information and Communication Technology
IT	Information Technology
Project	Project implemented by ATIC
STEM	Science Technology, Engineering and Math
ToR	Terms of Reference
VAT	Value Added Tax

1.2 Introduction:

THE MOLDOVAN ASSOCIATION OF ICT COMPANIES (“ATIC”) is looking for an eligible and responsible local audit company to perform the internal control systems assessment of Startup Foundation Moldova (SMF) as described in this RFP and the details specified in Section 2.-- Terms of Reference (ToR)

The objective of the assignment is to assess the internal control principles, mechanisms, rules, and procedures and other related aspects applied by SMF in order to confirm/infirm the readiness to /act as an co-implementer for the EU4Moldova: Startup City Cahul project, specifically “*Activity 3. Support the development of a seed funding and accelerator programme for digital and innovative start-ups and entrepreneurs, strengthening their capacity building and investment readiness and*”, to be submitted to Sida and, where appropriate, together with recommendations on how to plan and design management in a manner that provides reasonable assurance that foundation’s risks are managed effectively and that the foundation’s goals and objectives be achieved efficiently and economically.

1.3 Offer Deadline and Submission Protocol:

Offers must be submitted not later than **April 29, 2022, 15:00, Chisinau time**.

Offers received after the specified time and date will be considered late and will NOT be evaluated by ATIC.

Electronic Submission Only:

The only acceptable submission method is electronic – via email.

Any email offers must be sent to the following address:

to: llivadari@ict.md - Liuba Livadari, Procurement Consultant

cc: achirita.@ict.md – Ana Chirita, Strategic Projects Director

Offers must be submitted in two (2) separate .pdf format files corresponding to the:

- 1) Technical Proposal (Forms A-E and other mandatory documents required by this solicitation documents). There may be one or several PDF files with relevant names.
- 2) Financial Proposal (should be password-protected). ATIC will request the password if the proposal is deemed eligible and technically compliant. Any submission of the financial proposal that is not password-protected will be disqualified. Also, any submission of the financial proposal together with the password will be disqualified.

Please refer the RFP number in any response to this RFP.

All offers must be prepared in one of the 3 languages: English, Romanian or Russian.

Offers received after the specified time and date will be considered late and will NOT be reviewed by ATIC.

1.4 Questions and Requests for Clarifications:

Questions regarding the technical or administrative requirements of this RFP may be submitted **no later than April 27, 15:00 Chisinau time** by email to llivadari@ict.md, cc achirita.@ict.md.

Questions must be submitted in writing; phone calls will not be accepted. Questions and requests for clarification—and the responses thereto—that ATIC believes may be of interest to other offerors will be circulated to all RFP recipients who have indicated an interest in bidding.

Only the written answers issued by ATIC will be considered official and carry weight in the RFP process and subsequent evaluation. Any verbal information received from employees of ATIC or any other entity should not be considered as an official response to any questions regarding this RFP.

1.5 Technical and Cost Volume

1.5.1 Technical Volume

The Technical Volume should describe in detail the offeror's proposed plan for providing the services and commodities described in the specifications found in Annex 1. It should demonstrate a clear understanding of the work to be undertaken and the responsibilities of all parties involved. The plan should include details on equipment, personnel, and subcontractors that the offeror will make available to carry out the required activities. The plan should also provide details on the anticipated delivery schedule, including an estimated completion date.

At a minimum, the Technical Volume must contain the following required completed documents:

- Application form (FORM A)
- Letter of Transmittal (see FORM B)
- Certificate of Independent Price Determination (see FORM C)
- Certification Regarding Responsibility Matters (see FORM D)
- Evidence of Responsibility Statement (see FORM E)
- Copy of official registration and business license if applicable (also for subcontractors – if any)
- Bank Account Award Certificate - copy – (issued by the bank);
- Certificate of regular payment of taxes - copy - or certificate issued by the Tax Inspectorate on double taxation records;
- Company profile (up to 3 pages)
- Past performance information:
 - Information on previous similar assignments related to Internal control review/development completed within the last 3 years (especially for NGOs, donor funded projects and/or International donor organizations);
 - 2 reference letters from the last 3 years
- Staffing capacity to perform the proposed services, describing in particular the experience with the assessment of NGOs, international Organizations, donor funded projects, etc. CVs of the assigned team (senior auditor and -auditor as required in ToR). CVs should include details on services completed by the applicable staff, including ongoing assignments indicating capability and capacity to undertake the audit.
- Technical proposal describing the proposed services with a clear timeline

FORMS A-E – attached word file to this RFP.

Financial Offer – in MDL, VAT Exclusive (FORM E -to be password protected)

Subcontracting arrangements:

If the execution of work to be performed by the offeror requires the hiring of subcontractors, the proposal must clearly identify the subcontractor(s), contact information of subcontractor(s), and the work they will perform. ATIC will not refuse a proposal based upon the use of subcontractors; however, ATIC retains the right to approve or reject the specific subcontractors selected.

All electronic copies of documents in the Technical Volume must be in PDF, Microsoft Word or Microsoft Excel format.

The information contained in the Technical Volume should not contain any cost- or price-related information.

1.5.2 Cost Volume

Taking into consideration the complexity of the work, the cost proposal is used to determine which proposals represent the best value and serves as a basis of negotiation before award of a subcontract.

It should offer a clear understanding upon the amount of work, different types of activities (if applicable), but offer a fixed price for the assignment taking into account all details.

If relevant, the cost proposal shall also include a budget narrative that explains the basis for the estimate of every cost element or line item. Supporting

information must be provided in sufficient detail to allow for a complete analysis of each cost element or line item. ATIC reserves the right to request additional cost information if the evaluation committee has concerns of thereasonableness, realism, or completeness of an offeror's proposed cost.

The agreement under which this procurement is financed does not permit the financing of any taxes, VAT, tariffs, duties, or other levies imposed by any laws in effect in the Cooperating Country. No such Cooperating Country taxes, charges, tariffs, duties or levies will be paid under an order resulting from this RFP.

Currency of Proposal: Financial offers must be presented in **MDL**, VAT Exclusive only. No other currencies accepted

Format of Financial Proposal: In formulating its financial proposal, the offeror should be guided by the *FORM F – Financial Offer (attached to the RFP)*.

Partial Quotes: not allowed.

1.6 Validity Period

Offers must remain valid for at least 90 calendar days after the RFP deadline.

1.7 Eligibility of Offerors

By submitting an offer in response to this RFP, the offeror certifies that it and its principal officers are not debarred, suspended, or otherwise considered ineligible for an award. ATIC will not award a contract to any firm that is debarred, suspended, or considered to be ineligible.

As per EU procurement rules, a contractor is eligible if:

- it is not included in the EU Sanctions List or are subject to EU Restrictive Measures provided at www.sanctions1ap.eu and all its employees, consultants, suppliers and contractors involved in fulfilment of this Agreement or implementation of any part of the Project are not included in the EU Sanctions List or are subject to EU Restrictive Measures and none part of the Fee is made available to, or for the benefit of, persons, groups and entities designated under the EU Sanctions List or subject to EU Restrictive Measures. The Provider shall cooperate with the Beneficiary in this respect and promptly inform the Beneficiary if it reveals that any recipient of such funds falls under EU Sanctions List / EU Restrictive Measures.
- it does not support activities that contribute to money laundering, terrorism financing, tax avoidance, tax fraud or tax evasion;
- it refrains from corruption and other irregularities and requires all its employees, consultants, suppliers and contractors involved in fulfilment of this Agreement or implementation of any part of the Project to refrain from any such corruption and other irregularities. Corruption and other irregularities refer to all kinds of: (1) corruption, including bribery, nepotism, illegal gratuities or other form of abuse of trust, power and position for improper gain; (2) misappropriation of cash, inventory and all other kinds of assets; (3) financial and non-financial fraudulent statements; (4) all other use of Project/Core Activities funds which is not in accordance with the work plan and Budget approved under SIDA-ATIC Agreement. The Provider shall cooperate with the Beneficiary in this respect and promptly inform the Beneficiary of any indication of corruption and other irregularities and investigate the presence of corruption and other irregularities and take action, including legal actions, against persons suspected of corruption and other irregularities;
- it takes all necessary precautions to avoid any conflicts of interest in all matters related to

fulfilment of this Agreement or implementation of any part of the Project and ensures its employees, consultants, suppliers and contractors are not placed in a situation which could give rise to conflict of interest. A conflict of interest shall be deemed to arise where the impartial and objective exercise of the functions of any person fulfilling the Agreement and/or implementing of any part of the Project is compromised.

Only one Offer allowed

- The Offeror (including the Lead Entity on behalf of the individual parties of any Joint Venture/ Consortium/ Association) shall submit only one Offer, either in its own name or, if a joint venture/Consortium/Association, as the lead entity of such Joint Venture/Consortium/Association. Offers submitted by two (2) or more Offerors shall all be rejected if they are found to have any of the following:
 - a) they have at least one controlling partner, director or shareholder in common; or
 - b) they have the same legal representative for purposes of this RFP;
 - c) any one of them receive or have received any direct or indirect subsidy from the other/s; or
 - d) they have a relationship with each other, directly or through common third parties, that puts them in a position to have access to information about, or influence on the Offer of, another Offeror regarding this RFP process;
 - e) they are subcontractors to each other's Offer, or a subcontractor to one Offer also submits another Bid under its name as lead Bidder; or
 - f) some key specialists proposed to be in the team of one Offeror participates in more than one Offeror received for this RFP process. This condition relating to the specialists, does not apply to subcontractors being included in more than one Offer.

1.8 Evaluation and Basis for Award

The award will be made to the offeror whose proposal is determined to be responsive to this solicitation document, meets the eligibility criteria stated in this RFP, meets the technical, management/personnel, and corporate capability requirements, and is determined to represent the best value to ATIC.

Offeror's minimum professional qualification criteria:

- minimum 3 year - experience in audit, including for NGOs, donor funded projects, /international donor organizations (internal control);
- prior experience in the development and/or audit of internal control, standard operating procedures, corporate policies
- experience in performing review services for Sida funded projects would be considered an advantage
- minimum 2 (two) certified auditors:
 - 1 Certified auditor with min. 7 years of experience internal control audit;
 - 1 Certified auditor with at least 10 years of experience in audit/development of operational policies, Standard Operating Procedures, Corporate regulations, knowledge of NGOs/international organizations
- *Review team linguistic skills: advanced knowledge of English and Romanian.* Best value will be decided using the scoring method (technical scoring +financial scoring). That means that each proposal will be evaluated and scored against the evaluation criteria and evaluation sub-criteria, which are stated in this RFP. If technical scores of several proposers reaching or exceeding the minimum pass score are determined to be equal or nearly equal, cost will become the determining factor.

ATIC may award the contract to a higher priced offeror if a determination is made that the higher

technical score of that offeror merits the additional cost/price.

The rating of each proposal will be defined based on the accumulated total scoring: technical and financial scorings. The priority will be given to highest scored offers, in the limits of the available budget.

In evaluating proposals, ATIC will use the following evaluation criteria:

#	Evaluation Criteria and Sub-criteria	Maximum points
1	TECHNICAL EVALUATION*	Up to 175 pts
1.1.	Technical offer (comprehensiveness of the approach)	Up to 75 points
1.2.	Company's past performance information	Up to 40 points
1.2.1	-minimum 3 years of experience in audit, including for NGOs, donor funded projects /international donor organizations (internal control);	Up to 20 pts 3 years – 10 pts, 2 pts for each additional year – up to 5 additional years/10 pts;
1.2.2	- prior experience in the development and/or audit of internal control, standard operating procedures, corporate policies	Up to 10 pts
1.2.3.	- experience in performing audit services for Sida funded projects would be considered an advantage	10 pts Yes – 10 pts; No -0 pts
1.3.	Qualified Staff: Minimum 2 (two) certified auditors	Up to 60 pts
1.3.1	Certified auditor #1	Up to 30 pts
	- Minimum 10 years of experience in audit/development of operational policies, Standard Operating Procedures, Corporate regulations, knowledge of NGOs, donor funded projects,	Up to 26 pts 10 years – 20 pts, 2 pts for each additional year – up to 3 additional years;
	-Linguistic skills	4 pts
	English	1.5 pts
	Romanian	1.5 pts
	Russian	1 pts
1.3.2.	- Certified Auditor #2	Up to 30 pts
	-Minimum 7 years of experience in internal controls audit	Up to 26 pts 7 years – 10 pts, 2 pts for each additional year – up to 3 additional years;
	- audit of EU funded projects would be considered an advantage	10 pts
	-Linguistic skills	4 pts
	English	1.5 pts
	Romanian	1.5 pts
	Russian	1 pts
2.	OVERALL COST PROPOSAL PROVIDED	Up to 75 points
		minimum offer - 75 pts; Evaluated offer pts = (lowest offer \$ x 75 pts)/evaluated offer
	Total Points = Technical + Cost Approach	250 points

***Minimum technical passing score – 123 pts (70% of the technical score).** Offers that do not reach the minimum pass score will not be considered for further evaluation.

1.9 Negotiations

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Best and final price quotations are requested from all offerors. It is anticipated that awards will be made solely on the basis of these original quotations. However, ATIC reserves the right to conduct negotiations and/or request clarifications prior to awarding a subcontract.

1.10 Terms and Conditions of Subcontract

This is a Request for Proposals only. Issuance of this RFP does not in any way obligate ATIC or the Donor to award a subcontract, nor does it commit ATIC or Donor to pay for costs incurred in the preparation and submission of a proposal.

This solicitation is subject to the Draft Order Terms and Conditions detailed in Section 2. Any resultant award will be governed by these terms and conditions. ATIC reserves the right to make revisions to the content, order, and numbering of the provisions in the actual subcontract document prior to execution by ATIC and the selected awardee. Issuance of a subcontract award is subject to availability of sufficient funds.

SECTION 2. Terms of Reference (BACKGROUND, SCOPE OF WORK, DELIVERABLES AND DELIVERABLE SCHEDULE)

TERMS OF REFERENCE **Internal Control Systems Review for** **Startup Foundation Moldova (SMF)**

Background information and rationale, project description

THE MOLDOVAN ASSOCIATION OF ICT COMPANIES (“ATIC”) is the Organization uniting 90 companies. Umbrella Organization gathering over 9,000 employees.

Established in 2006, ATIC is the action leading association and the voice of the Moldovan ICT industry that promotes the development of the ICT sector in Republic of Moldova through viable partnerships between companies, similar organizations, government, state institutions and international organizations. The association was founded to represent the industry on different policy and legislative issues and to facilitate the exchange of best practices between members. ATIC mission is to protect and promote the Association members’ interests as well as facilitate a more favorable ICT business climate.

About EU4Moldova: Startup City Cahul

EU4Moldova: Startup City Cahul is a 4-year project financed by the European Union in Moldova through a delegated agreement with Sweden and implemented by the National Association of ICT Companies (ATIC). The project runs between September 2020-September 2024 based on the Commission Decision ENI/2019/042-243.

The overall objective of the Action is to harness and strengthen the potential of the digital economy and enhance regional competitiveness, its business, and its investment environment.

The specific objectives are:

- Foster partnerships for innovation and entrepreneurship between the private sector, public sector and educational institutions in the region of Cahul.
- Promote technology, problem solving and creative solutions in learning and make STEM topics (Science, Technology, Engineering and Mathematics) more attractive for women and men, girls and boys.
- Facilitate the emergence of start-ups in innovative sectors, build their capacity and investment readiness.

One of the activities under EU4Moldova: Startup City Cahul is Support the development of a seed funding and accelerator programme for digital and innovative start-ups and entrepreneurs, strengthening their capacity building and investment readiness. Based on the Report prepared on March 3, 2021 “ATIC vision on further development of Startup Related Programs and Seed Funding activities” (found in Annex 1), Startup Moldova Foundation has been created and selected to implement programs financially supported by ATIC. Donor condition was that prior any funds are channelled to the Foundation underdeveloped programs, the organization needs a System Review to ensure its procedures meet the requirements of receiving/dispersing and monitoring grants/funds.

About Startup Moldova. Startup Moldova Foundation is an initiative that aims to accelerate technological innovations in the Republic of Moldova by training,

encouraging, but also by creating a favorable environment for the development of startups and technological innovation initiatives in the country.

Startup Moldova Foundation is a private non-profit organization, founded by the National Association of ICT Companies (ATIC) based on the decision of the General Assembly on March 18, 2021 and led by an Executive Committee, which approves the strategic directions of development, the foundation's priorities in terms of activities and budget.

The Foundation's team, led by the Executive Director, ensures the implementation of these directives and priorities through its events, programs and activities.

Scope of Work:

ATIC is looking for a responsible company to assess the principles, mechanisms, rules, and procedures applied by SMF aimed to ensure the integrity of financial and accounting information, as well as the efficiency of the foundation's operational activity, accuracy and timeliness of existing systems and procedures in place aiming to ensure segregation of duties, ensure transparency and prevent fraud.

The review is necessary to confirm/infirm the readiness to receive/act as an implementer for the EU4Moldova: Startup City Cahul project, specifically *Activity 3. Support the development of a seed funding and accelerator programme for digital and innovative start-ups and entrepreneurs, strengthening their capacity building and investment readiness.*

The adequacy of SMF's internal control shall be highlighted and recommendations on how to plan and design management in a manner that provides reasonable assurance that foundation's risks are managed effectively and that the foundation's goals and objectives be achieved efficiently and economically, shall be provided.

The selected company is expected to assess SMF's internal management and control and existing risks and provide recommendations that will help the foundation implement effective internal controls based on international best practices, while taking into account the specific of SMF's activity.

The SMF management will provide all the necessary information and documents to the selected company in order to ensure that the service provider has the necessary resources in order to deliver on the assignment.

The review will cover the following system review components:

Control Environment – the set of standards, processes, and structures that provide the fundamentals for carrying out internal control across the foundation. The process will cover:

1. Review of the internal procedures- Office and Personnel, Anti-Corruption policies, Procurement and Financial policies, and other as identified necessary by the Review company
2. Perform Risk Assessment – a dynamic and iterative process aimed to identify and analyse risks associated with the foundation's objectives.
3. Review Control Activities – actions established via policies and procedures to help ensure that risks to the achievement of objectives are managed.

4. Information and Communication – information necessary for the organisation to carry out internal control responsibilities in support of its objectives; communication providing the organisation with the information needed to carry out day-to-day controls; it enables staff understand internal control responsibilities and their importance.
5. Evaluate Monitoring Activities – monitoring activities determine whether each of the five components of internal control is present and functioning.

The Selected company will provide answers including to questions and subjects mentioned below:

Organizational Structure and Management

- Does the management structure have clearly defined roles, authorizations, and authorities?
- Are there bylaw/statutes that clearly stipulate the mandate of the board and the organisation?
- Present the composition of the board, its members different competences, the election process and the board's insight in the operations of the organisation.
- Is there a decision order that adequately ensures segregation of duties in regard to authorization of payments, different roles and responsibilities within the organization?
- Is there an office manual or equivalent stipulating rules clearly defining roles and responsibilities, authorizations, fraud prevention principles?
- Is there established an internal policy on the activity of the sent-out staff in countries where CMI's projects are implemented (time allocation policy, involvement in several projects at the same time, salary policy, etc)?

Risk Assessment and Management

- Are risk analyses performed regularly, and are there routines for identifying, analysing and taking risk reducing measures?
- What risks has the organization identified for its operations?
- Does the organization have sufficient staffing capacities competence, and professional knowledge in order to be able to prevent and mitigate different types of risks?

Anti-fraud and Anti-corruption

- Is there an anti-corruption policy¹ or has the organization in other ways manifested an approach against corruption? Are there satisfactory routines and systems for preventing, detecting, and taking measures on fraud and corruption? Does the organization have documented ethical guidelines/code of conduct policy?²
- Has it according to the organization occurred corruption cases, and if so, how has it been handled by the organization?
- What eventual corruption risks have been identified during the assignment?

Operational activity: Finance, Procurement, Sub-awarding and HR

- Is the organization planning to be reviewed according to Moldovan national rules and regulations applicable to the legal form of organization of SMF? What type of review is it (ISA, national standard, assurance engagement, agreed upon procedures)? Does the

¹ Note that it is not a requirement from Sida that the organization must have a separate documented anti-corruption policy or ethical guidelines/code of conduct policy. However, Sida greatly emphasize the importance that the organization as a whole has an adequate system for preventing, detect and taking measures on fraud and corruption.

² See note 1 above.

organization follow-up on weaknesses identified in the reviews in a systemized way? Is the reviewer external, independent, and qualified? reviewreview

- Is there a procurement policy that includes adequate rules and regulations to manage planned procurement in compliance with applicable regulations?
- Does the organization have an accounting software that allows for adequate accounting records for an organization of its size and operations? Is project accounting possible in the accounting software? How does the organization work with budget analysis and budget follow-up?

Grant disbursement and monitoring (or Forwarding of funds/sub-granting)

- How are the decisions on the eligibility of grantees planned to be made? Which is the governing body / committee responsible for selection of grantees? How are those governing bodies / committees for selection of grantees chosen? Do the governing bodies / committees have sufficient and relevant competence to ensure fair and non-biased selection?
- Are there policies and internal regulations in place to ensure correctitude and transparency of the entire process: from publishing the call for applications to evaluation, selection and disbursement of grant money?
- Are there controls in place to ensure that the disbursed grants are used for the intended purposes according to the relevant grant agreements and that the financial statements fairly represent the financial transactions and balances of the grant?
- What appropriate legal actions will be taken against the selected grantees in case the grant has been used for purposes other than those for which it has been awarded?
- Does SMF assess the recipient organization's (the startup's /grantees) capacity regarding competence, resources, internal management and control and work on anti-corruption, and if so, in what way? Are these assessments documented?
- Funds that are being forwarded through Calls – describe the process for identifying the theme, how the concepts are being submitted to SMF, how the concepts are planned to be reviewed (blind review, internal and/or external review committee?) and how the reviewers are planned to be selected?
- Are there signed agreements between SMF and the startups/organisations? Are the rights and obligations of the recipient partner organizations stipulated in the agreements? Are the agreement requirements in accordance with what is stipulated in the agreement between Sida and ATIC?
- What reporting requirements; financial and results; including reviews, does SMF place on its recipient organizations (startups etc)? Are eventual findings and weaknesses in the review reporting from recipient partner organizations followed-up upon by the organization in a systematic and documented way?

Conflict of interest

- Are there processes and procedures in place for the identification, reporting and administration of conflict of interest situations?
- How are the conflicts of interest avoided within the organization?
- Are there any relations or duty overlaps between ATIC and SMF management or decision-making bodies that can be treated as conflict of interest?

Recommendations for improvement of the internal operational procedures based on the performed assessment.

Deliverables:

#	Deliverables	Estimated period/ Tentative Timeframe
1	Internal Control System Review performed. Review report provided (findings and recommendations) – electronic format (hard copy optional)	10 calendar days from contract signature (by May 27, 2022)
2	Meeting with the SMF management to explain details of the review report	15 calendar days from contract signature (by June 1, 2022)
3	Recommendations and Suggestions plan to Develop/Adjust the internal control based on the review report findings and recommendations (regarding roles of staff/board members; authority levels, financial, procurement, sub-awards, HR policies and procedures - if required; risk assessment, prevention, identification and mitigation; anti-fraud/anti-corruption; other that have been identified). – electronic format (hard copy optional).	25 calendar days from contract signature (by June 11, 2022)

2.1 Delivery Requirements

The documents should be performed in the office of ATIC: 9/11, Studentilor Str., Chisinau, Moldova. The period of the review shall be about 25 days.

The delivery estimate presented in an offer in response to this RFP must be upheld in the performance of any resulting contract.

The delivery estimate presented in any offers in response to this RFP must be honest, accurate, and upheld in the performance of any resulting contract or order.

SECTION 3. PAYMENT AND FINANCIAL OBLIGATIONS

3.1 Contract Price

The Contractor shall complete all work (including furnishing all labor, material, commodities, equipment, and services) required under this contract for the fixed price indicated in the offer. This price shall include all equipment, commodities, shipping costs, licenses, permits, administration costs, labor costs, materials, overhead, profit, and all other costs.

The Contractor will be paid the installment amounts listed under the column named “Payment Amount” only upon successful completion and acceptance by ATIC of all corresponding deliverables listed in the column named “Corresponding

Deliverable Name.”

3.2 Payment Terms

ATIC will pay the total price through a series of installment payments as provided in Article 1.9 above, after Contractor’s completion of the corresponding deliverables and ATIC acceptance thereof. The Contractor may submit invoices for deliverables that have been accepted and approved by the authorized ATIC representative. ATIC will pay the Contractor’s invoice within fifteen (15) working days after the following conditions have been fulfilled:

- a) the Contractor has delivered a proper invoice,
- b) and certificate of acceptance of deliverables is signed by both parties;

Payment will be made in MDL, paid via wire transfer to the account specified in the Contractor’s invoice. Payment of unpaid balances will be made upon completion and final acceptance of all works and deliverables by ATIC. Any invoices for services rendered and deliverables submitted—but not accepted by ATIC—will not be paid until the Contractor makes sufficient revisions to the deliverables such that ATIC may approve the deliverables and thus the invoice.

Payment Will be as Follows:

- Payment upon accepted deliverables;

3.3 Invoice Requirements

The Contractor shall present an invoice to ATIC only for services and/or commodities that have been accepted by ATIC. The invoice must be an original invoice, submitted to:

ATIC
Attention: Accountant Office
National Association of ICT Companies

To constitute a proper invoice, the Contractor’s invoice must include the following information and/or attached documentation. This information will assist ATIC in making timely payments to the Contractor:

1. Contractor legal name, contract number, invoice date, and invoice number.
2. Deliverable(s) number, description of approved deliverable(s), and corresponding value.
3. Name of the corresponding ATIC project for which the services are being provided and contact reference.
4. Bank account information to which payment shall be sent.

3.4 Cooperating Country Fees, Taxes, and Duties

This contract is entered into by ATIC on behalf of the Project (s) mentioned above, an official program of the mentioned Donors in the Republic of Moldova.

As such, this contract is free and exempt from any taxes, VAT, tariffs, duties, or other levies imposed by the laws in effect in Republic of Moldova. The Contractor shall not pay any host country taxes, VAT, tariffs, duties, levies, etc. from which this Donor programs are exempt. In the event that any exempt charges are paid by the Contractor, they will not be reimbursed to the Contractor by ATIC. The Contractor shall immediately notify ATIC if any such taxes are assessed against the Contractor or its subcontractors/suppliers at any tier.

The Contractor is responsible for payment of all applicable taxes, as prescribed under the applicable laws, associated with wages/salaries/compensation for services rendered by individuals employed by the Contractor and who are directed to work as required under this Contract. The Contractor is liable for payment of all applicable taxes associated with revenues (profit), and other such taxes, fees, or dues for which Contractor is normally responsible as a result of operating its business.

3.5 **Set-Off Clause**

ATIC reserves the right of set-off against amounts payable to Contractor under this contract or any other agreement in the amount of any claim or refunds ATIC may have against the Contractor.

3.6 **Grounds for Disqualification:**

A firm may be excluded from the evaluation and the award of a contract, who:

- a) is bankrupt or is being wound up, whose affairs are being administered by court, who has entered into an arrangement with creditors, who has suspended business activities or who is subject of an injunction against running business by court; is the subject of proceedings for a declaration of bankruptcy, for an order for compulsory winding up or administration by court, or for an arrangement with creditors or of any other similar proceedings;
- b) has been convicted of an offence concerning his professional conduct by a court;
- c) has been found guilty of grave professional misconduct; or
- d) has not fulfilled obligations relating to payments of taxes or social security contributions.

Economic resources provided by the EU under this Project shall not be made available to, or for the benefit of, third parties - whether entities, individuals or groups of individuals - designated by the EU as subject to restrictive measures in the lists provided at www.sanctionsmap.eu ("EU Restrictive Measures") or designated by UN as subject to restrictive measures in the list provided at www.scsanctions.un.org

3.7 **Anti-Kickback**

a) Definitions:

- *Kickback*, as used herein, means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind, which is provided, directly or indirectly, to ATIC, Project or any of its employees, the Contractor or Contractor employees, or vendors in any way related to the performance or subsequent activities of this contract, for the purpose of improperly obtaining or rewarding favorable treatment in connection with this subcontract.
- *Person*, as used in this article, means a corporation, partnership, business association of any kind, trust, joint-stock company, or individual.
- *Contractor employee*, as used in this article, means any officer, partner, employee, or agent of the Contractor.

b) The Contractor and its employees, whether directly or indirectly engaged in the performance of this contract, agree to abide legal provisions which prohibit any person from providing or attempting to provide any kickback; soliciting, accepting, or attempting to accept any kickback; or including, directly or indirectly, the amount of any kickback in the contract price charged by the Contractor to ATIC.

When the Contractor has reasonable grounds to believe that a violation described in paragraph (b) of this provision may have occurred, the Contractor shall promptly report in writing the possible violation. Such reports shall be made to ATIC, who shall forward the report to the Donor, as required.

The Contractor agrees to cooperate fully with any relevant Moldovan/EU Agency investigating a possible violation described in paragraph (b) of this article.

ATIC may offset the amount of the kickback against any monies owed by ATIC under this fixed price contract or order the monies withheld from future payments due the Contractor.

The Contractor agrees to include the substance of this article in any contract it may issue under this contract.

3.8. Terrorist Financing Prohibition

The Contractor (including its employees, consultants, and agents) by entering into this contract certifies that it does not engage, support or finance individuals and/or organizations associated with terrorism.

3.9. Compliance with Applicable Laws and Standards

The Contractor shall perform all work, and comply in all respects, with applicable laws, ordinances, codes, regulations, and other authoritative rules of Sweden, European Union and Moldova and its political subdivisions and with the standards of relevant licensing boards and professional associations. The Contractor shall also comply with the applicable EU and Sweden regulations governing this contract, which are incorporated by reference into this contract, Clauses Incorporated by Reference.

3.10. Indemnity and Contractor Waiver of Benefits

A. The Contractor waives any additional benefits and agrees to indemnify and save harmless ATIC, Donor, their officers, directors, agents, and employees from and against any and all claims and liability, loss, expenses, suits, damages, judgments, demands, and costs (including reasonable legal and professional fees and expenses) arising out of:

- (1) the acts or omissions of Contractor, its employees, officers, directors, agents or its subcontractors;
- (2) injury or death to persons, including officers, directors, employees, agents and subcontractors of Contractor, or loss of or damage to property, or fines and penalties which may result, in whole or in part, by reason of the buying, selling, distribution, or use of any of the goods or services purchased or provided under this Contract except to the extent that such damage is due to the negligence of ATIC;
- (3) the infringement or violation of any patent, copyright, trademark, service mark, trade secret, or other proprietary interest of any third party resulting from ATIC use, distribution, sale, sublicensing, or possession of the goods (including software and all forms of written materials) or services purchased or provided, as authorized hereunder, or from the use or possession of said goods or services by ATIC, Donor, as authorized hereunder; or false claims submitted by Contractor or its subcontractors under this Contract or as a result of a Contractor misrepresentation of fact or fraud by Contractor.

B. Contractor shall defend and settle at its sole expense all suits or proceedings arising out of the foregoing, provided that Contractor has notice or is given prompt written notice of such claim

or suit and, further, that Contractor shall be given necessary information, reasonable assistance and the authority to defend such claim or suit. Contractor shall not settle, compromise or discharge any pending or threatened suit, claim or litigation, arising out of, based upon, or in any way related to the subject matter of this contract and to which ATIC is or may reasonably be expected to be a party, unless and until Contractor has obtained a written agreement, approved by ATIC (which shall not be unreasonably withheld) and executed by each party to such proposed settlement, compromise or discharge, releasing ATIC from any and all liability.

C. If any of the goods or services provided by Contractor hereunder, including without limitation software and all forms of written materials, become the subject of a claim of infringement or violation of a third party's intellectual property, privacy and/or proprietary rights, Contractor shall, at its own expense, use its best efforts—

- (1) to procure for ATIC the right to continue use and, if authorized under this Contract, distribution of the infringing goods or services or,
- (2) to modify the goods or services to make them non-infringing, or to replace them with equivalent, non-infringing counterparts.

If none of the above-mentioned can be successfully implemented, then Contractor shall refund to ATIC all monies paid to the Contractor for the infringing goods and services.

3.10. Intellectual Property Rights

The ownership of all copyright and other intellectual property rights in respect of any data compilations, research, spreadsheets, graphs, reports, diagrams, designs, work products, software, or any other documents, developed in connection with this contract will exclusively vest in or remain with ATIC, which shall have all proprietary rights therein, notwithstanding that the Contractor or its employees may be the author of the intellectual property. All documents relating to the intellectual property or otherwise connected with this fixed price contract, the services, or duties must be returned or delivered to ATIC at the time of the expiration or termination of the contract. The Contractor agrees not to publish or make use of any of the intellectual property, or documents relating thereto, without the prior written approval of ATIC and proper attribution.

3.11. Modifications

Modifications to the terms and conditions of this subcontract, including any modification to the scope of work, may only be made by written agreement between authorized personnel of both Parties. Each Party shall give due notice and consideration to any proposals for modification made by the other Party.

3.12. Changes

According to ATIC procurement procedures, ATIC may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in the services to be performed.

If any such change(s) causes an increase or a decrease in the cost, or the time required for the performance, or any part of the work under the contract, an equitable adjustment shall be made in the contract price or delivery schedule, or both, and the contract shall be modified in writing accordingly. Any claim by the Contractor for adjustment under this contract must be asserted within 30 (thirty) days from the date of receipt by the Contractor of the modification or change.

3.13. Assignment and Delegation

This contract may not be assigned or delegated, in whole or in part, by the Contractor without the written consent of ATIC. Absent such written consent, any assignment is void.

3.14. Termination

ATIC reserves the unilateral right to terminate this fixed price contract at any time, paying for all deliverables completed at the time of termination and a pro-rata share of any deliverable in progress, in accordance with ATIC procurement procedures.

In the event that the Contractor fails to make progress so as to endanger performance of this fixed price contract, or is unable to fulfill the terms of this fixed price contract by the completion date, the Contractor shall notify ATIC forthwith and ATIC shall have the right to summary termination of this fixed price contract upon written notice to the Contractor.