



Ministry of Electricity
General Company of Electrical Energy Distribution/ South Region
Department of Legal Affairs/ Contract Section

Ref.:43/D/2024
Date:31.12.2024

Contract of Supplying Mobile Transformers 31.5 MVA number (2) for Thi Qar Branch for Tender no. 43/D/2024

First: Parties

First Party: General Company of Electrical Energy Distribution/ South Region, represented by its Director General/Board Director in addition to his capacity.

Second Party: Mashareq Iraq Company for General Contracting, its Managing Director; Ali Salman Salim, in addition to his capacity.

Second: Contract Body

In accordance with the Awarding Letter no. 52809 dated 12.12.2024 and the decision of Audit and Approval Committee dated 11.12.2024 on the minutes of Study Committee formed under the Administrative Order no. 45446 dated 27.10.2024 and its annex no. 49869 dated 25.11.2024, the Parties have agreed that Second Party shall supply Mobile Transformers 31.5 MVA number (2) for Thi Qar Branch. The country of origin (COO) of switchgear (Schinder), current transformers and voltage transformers (ALCE) Turkey, batteries (ALCAD) COO Sweden, power transformers (Astor) Turkey, (33/0.4) auxiliary transformer 250 KVA (Beta) COO Turkey, power cables EPR (Hascelik) COO Turkey. Materials to be supplied shall be compliant to the specifications of Iraqi Ministry of Electricity. All legal and technical terms, all information stated in the announced standard document and the letter of tender announcement no. 44113 dated 17.10.2024, the offer provided by the Second Party and all the correspondences shall be integral part of the contract.

Third: Contract Value and Payment Mode:

- Total contract value (4,495,000,000) Four Billion, Four Hundred Ninety-Five Million Iraqi Dinars shall be paid based on the batches to be supplied, duly received by the receiving committee and delivered to First Party's warehouses, and subject to the availability of cash flow and charged to the operational budget of 2024.
- The Performance Bond which is equal to 5% of the contract value shall only be released to the Second Party upon completion of the supply of materials + (28) days and the after the completion of warranty period of (365) days from the date of commissioning or (540) days from the date of inspection and acceptance, whichever comes first.

Fourth: Term of Contract

- (130) one hundred and twenty days shall be commenced from the date of signing of the contract.

A blue stamp reads: General Company of Electrical Energy Distribution/ South Region/ Legal Affairs Dept.



Signature of
Legal Affairs Dept.
employee in charge
Illegible name
(31.12.2024)



Signature of
Commercial Dept.
employee in charge
Illegible name
(31.12.2024)

Signature of
Finance Dept. employee in
charge
Illegible name

Signature of
Technical Dept. employee
in charge
Illegible name
(31.12.2024)



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Fifth: Liquidated Damages for Delay:

- a. The Second Party shall be obliged to supply and test the materials within the period specified in the aforementioned Article (Fourth). In the event of a delay, liquidated damages for delay shall be imposed against the Second Party in accordance with the formula provided below:

$$\frac{\text{Contract value (original value + - any variation)}}{\text{Total contract duration (original duration + - any variation)}} \times (10\%) = \text{Liquidated damages for Delay for one day and it shall not exceed 10\% of total contract value}$$

- b. The liquidated damages for delay shall be reduced based on the provided quantities in accordance with the formula provided below:

$$\frac{\text{Value of unprovided quantities}}{\text{Total contract duration}} \times (10\%) = \text{Liquidated damages for Delay for one day}$$

Sixth: Second Party Obligations

- a. The Second Party shall be obliged to delegate engineering and technical test team (5 persons) to the country of origin in order to conduct routine and qualitative test with a third party (Inspection Company) accredited by Iraqi Ministry of Planning and according to the accredited ministerial technical specifications. The Second Party shall bear all expenses of the delegation including pocket money.
- b. The Second Party shall be obliged to delegate engineering and technical test team (5 persons) to the country of origin of the equipment in order to conduct routine and qualitative test with a third party (Inspection Company) accredited by Iraqi Ministry of Planning and according to the accredited ministerial technical specifications. The Second Party shall bear all expenses of the delegation including pocket money.
- c. In the event that the supply is carried out in multiple batches, the materials shall be delivered in accordance with the quantities specified in the contract and the Second Party shall ensure that technical tests are conducted for each delegated technical team associated with the respective test batch.

Seventh: In the event that the Second Party breaches its contractual obligations and the liquidated damages for delay reach 10% of the contract value, the First Party reserves the right to unilaterally terminate the contract after officially notifying the Second Party through the Notary Public Directorate prior to (14) days. The Second Party shall be liable for the following legal consequences:

1. A difference between the original contract value and the cost of execution by a substitute contractor may arise when reassigning the work to another entity.
2. Fulfilling the breached obligations at the Second Party own cost and compensating any damages may arise from the Second Party failure in performing the contract.
3. Forfeiture or retention of the Performance Bond.
4. Obtaining the necessary official approvals for blacklisting the Second Party.

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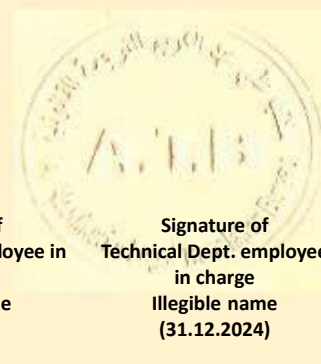
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Signature of
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Eight: General Terms and Conditions

1. This contract shall be subject to the Collection of Government Debts Act no. (56) of 1977, with respect to the recovery of any amounts arising from the breach of the terms and conditions of this contract.
2. The Second Party shall have no right to claim a suspension or an extension of the contractual duration for the purpose of currency conversion according to the letter of Central Bank of Iraq no. 1249 dated 28.2.2023 concerning the transfer of USD amount via electronic platform and disclose the countries subject to sanctions.
3. The instructions set forth in the letter of the General Secretariat for Council of Ministers, Committees Affairs Directorate no. SH L/A/7/3/2543 dated 23.01.2011 concerning the suspension of the ration card shall apply to the Second Party to whom this tender is awarded.
4. This contract shall be subject to all applicable fees and tax deductions.
5. This contract is governed by all applicable laws, decisions, and instructions, including the Government Contracting Execution Instructions No. (2) of 2024 and its associated annexed regulations.
6. Any disputes or conflicts arising between the two Parties shall be settled amicably. In the event that no mutually satisfactory resolution is reached, the courts of Basrah Governorate shall have jurisdiction to settle such dispute.

Therefore, the Parties have agreed according to the aforementioned articles.

Second Party

Ali Salman Salim (signed)
Managing Director of Mashareq Iraq Company for General
Contracting / in addition to his capacity
Address: Iraq, Basra, Al Wufod St. near to Grand Millennium
Hotel
Phone: 07705900051 / 07740000683

First Party

Ghaith Najim Aubaid (signed) 31.12.2024
Director General/ Board Director/ in addition to his capacity
Address: Iraq, Basra, 14 July St., opposite to Ibn Ghazwan
Maternity Hospital
Email: sedist@moelc.gov.iq

A blue stamp reads: Mashareq Iraq Company

A blue stamp reads: General Company of Electrical Energy Distribution/ South
Region/ Legal Affairs Dept.

Handwriting: We approve the validity of signatures of both
parties/The Jurist, Ibraheem Omran Musa (signed 31.12.2024),
vested with notarial authority.

A blue stamp reads: General Company of Electrical Energy Distribution/ South Region/ Legal Affairs Dept./ Undertakings and Guarantees
Section

Contract Dept. employee
in charge



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