ERBUD S.A.

Current Report No. 09/2013
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Topic:

Signing of a significant contract for construction works – comprehensive civil engineering works, including delivery, installation and commissioning of plant, equipment and devices in three hospital buildings
Legal basis: Article 56 section 1 item 2 of the Act on Public Offering - current and periodic information

Content of report:

The Management Board of ERBUD SA informs about the signing of a contract for "Improving the energy efficiency through the supply of renewable energy systems and the modernization of heating installations in selected provincial health care facilities from the public sector" which is due for performance under the Swiss-Polish Cooperation Programme. The tender submitted by ERBUD within an public procurement procedure was selected as the most advantageous one.

Contract conditions and terms:

1. Signed on 28.02.2013
2. The Awarding Parties:
   – Rydygier Specialist Hospital in Kraków (zip code 31-826), 1Os .Złotej Jesieni St.
   – John Paul II Cracow Specialist Hospital in Kraków (31-202), 80 Prądnicka St.
   – St. Luke's Regional Hospital in Tarnów (33-100), 178a Lwowska St.
3. Contract value: PLN 42,990,000.00 gross, i.e. 34,951,219.51net
4. Contract subject: complete comprehensive civil engineering works, including delivery, installation and commissioning of plant, equipment and devices in three hospital buildings, namely in:

   • Rydygier Specialist Hospital in Kraków
   • John Paul II Cracow Specialist Hospital in Kraków
   • St. Luke's Regional Hospital in Tarnów.

   The scope of the contract includes but is not limited to: installation of trigeneration system based on two units of 238 kW (electrical power) and 363 kW (thermal power), Energy and Utilities Management System; modernization of electrical system, incl. transformers, alteration and upgrading of the Control and Measurement Instruments and Automation, BMS; renewal of ventilation systems (replacement of over 70 AHU); construction of chilled water production system based on the new chillers working in a cascade system, condensing boiler house, incl. supply, installation and commissioning of 2 condensing boilers; upgrading of hot water system together with installation of 10 gas heat pumps (incl. absorption ones) used to product domestic hot water and cold along drilling of 42 boreholes; replacement and modernization of the hot water and heating external network, upgrading of in-building central heating system and replacement of all radiators (more than 4500); alteration and extension of the existing plant building (boiler and converter house).

5. Characteristics of the buildings:
   Net building area: more than 142 000m^2
   Building cubic capacity: more than 600 000m^3
6. Place of performance: Kraków, Tarnów
7. Duration of works: 20 months from the date of conclusion of the contract
8. Other warrants:36 months
9. Performance bond: PLN 4,299,000.00 by 30.11.2014
10. Collaterals for claims under the warranty and guarantee: PLN 1,289,700.00 by 15.12.2017.
11. Penalties:
    In case of non-performance or improper performance for reasons not attributable to the Employer, the Contractor shall be required to pay liquidated damages due to:
    - delay in the delivery of the documents mentioned in § 2 item 1 in the amount of 0.1% of the aggregate gross contract price, for each calendar day of delay from the date stated in § 2 item2;
    - delay in the execution of a particular task in the amount of 0.1% of the gross contract price for the task, for each calendar day of delay from the task completion date stated in § 2 item 4;
    - delay in removal of defects in the amount of 0.1% of the gross contractual salary for the task for each calendar day of delay;
    - withdrawal from the contract or its termination in the amount of 10% of aggregate gross contract price.
    The total amount of liquidated damages shall not exceed 20% of the aggregate gross contract price.

This is another hospital sector project completed by Erbud SA in the country, including, inter alia: Invasive Medicine Center of the Medical University of Gdansk; extension of the John Paul II Cracow Specialist Hospital in Kraków, as well as works carried out currently by Rzeszów Branch Office: extension and reconstruction of an existing building of the Regional Centre for Rehabilitation and Education of Children and Youth at the Provincial Hospital No. 2 in Rzeszów and next stage of extension of the PCK Hospital in Nisko; design and build of the Operating Ward (10 rooms), incl. Anaesthesiology and Intensive Care Unit and Central Sterilization Unit in Krosno; design and build of a 4-room operating theatre for the District Railway Hospital in Lublin. The aggregate value of projects for this sector amounts to PLN 400 million.