GDDKiA (the General Directorate for National Roads and Motorways) must pay Polimex-Mostostal nearly PLN 40 million

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The General Directorate for National Roads and Motorways is to pay Polimex-Mostostal PLN 39,79 million plus statutory interest. Payment order was issued in connection with the claim of the company for the payment of liquidated damages.

Contractual penalty applies to the contract for the construction of the S-69 expressway from Bielsko-Biala to Zywiec. According to the order for payment, GDDKiA (the General Board of National Roads and Motorways in Warsaw) will pay Polimex-Mostostal nearly PLN 40 million, together with interest calculated from 4 February 2014 and the costs of court proceedings. It was on 4 February this year that Polimex-Mostostal with the Slovak Doprastav filed a claim for payment of liquidated damages connected with the contract for the construction of the S-69 expressway Bielsko-Biala - Zywiec - Zwardoń from the Mikuszowice node to Zywiec.
The consortium terminated the contract signed in July 2010 with the Katowice Branch of the General Directorate for National Roads and Motorways for the construction of the S-69 expressway. Termination of the contract and stopping construction works on this section of road was caused by a failure within the required period of lawful security for the payment for the works and the Employer’s breach of the relevant provisions of the contract, including the rejection of legitimate claims of the consortium, as well as arrears of payment of wages for the works.

The Employer is obliged to pay the consortium a penalty equal to 10 percent of the approved contract amount, which amounted to more than PLN 788 million

gross.

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