The General Directorate for National Roads and Motorways has not terminated Polimex-Mostostal’s contract for the construction of the S69 expressway

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Polimex-Mostostal is still interested in proceeding with the construction, but on terms mutually agreed with the employer

GDDKiA, contrary to the release published yesterday, i.e. on 16th of the current month has not terminated Polimex-Mostostal’s contract for a section of S69 road.

It has, however, sent a letter to the company in which it orders to execute part of the works within the specified time, i.e. within the next 14 days.

Given the approaching Christmas and New Year period and the ongoing mountain area winter season, the deadline designated by GDDKiA is unrealistic to perform.

On 29 November 2013 the consortium of Polimex-Mostostal submitted guarantee payment request to GDDKiA in the amount of PLN 213,860,269.96 due to construction works.

Polimex-Mostostal assesses the actions taken by GDDKiA as superficial and designed to evade the GDDKiA’s obligation to provide the above guarantee payment.

GDDKiA lis ooking for arguments that could be used as an excuse to terminate the contract and, thus, avoid the need for the aforementioned guarantee of payment.

Polimex-Mostostal is still interested in the execution of the contract for the construction of the S69expressway Bielsko-Biala - ?ywiec under ??terms that take into account the legitimate claims of the contractor in relation to the employer, i.e., the General Directorate for National Roads and Motorways.

Important issues concerning the construction of the S69 have been the subject of extensive correspondence between the consortium (Polimex-Mostostal – the leader and Doprastav a.s. Bratislava – the partner), and the employer as well as numerous reports of the contractor.

It should be emphasized that the consortium could not meet the deadline specified in the contract for construction works on this section of the S69expressway, without any fault of the consortium.

The consortium, in view of the possibility of obtaining an agreement and resolving contentious issues, asked the GDDKiA for redressing contract deficiencies to allow for the continuation of construction.

GDDKiA has not taken these actions and hopes to force the consortium to take legal actions, which is the only possible way to resolve the issue.

The judgment of the court, however, will need to be awaited up to several years. With this in mind, it's hard not to get the impression that long lasting judicial procedures can be used in order not to pay the consortium’s due remuneration. The consortium, however, to continue the work, is obliged to invest their funds today.

Polimex-Mostostal, despite a difficult period in terms of liquidity, mobilized forces and resources required to complete the construction of the sections of the A1 and A4 motorways and DK1road.

The same possibilities concern the construction of S69 - the company owns the potential to guarantee the completion of this executive order.

When GDDKiA begins to cooperate constructively, accepts and takes into account the right solutions and proposals submitted by the contractor and fulfills its obligations as an employer, it will be possible to complete the contract.

Polimex-Mostostal is ready to continue the talks with GDDKiA to allow the commissioning in the near future, the expected and important highway, the Bielsko Biala - ?ywiec section of the S69.

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