The consortia with the participation of Polimex-Mostostal withdrew from the contracts for the construction of A1 and A4 sections, as well as the section of the express road S69

01/14/2014

The consortia with the participation of Polimex-Mostostal withdrew from the execution of the construction of A1 motorway section Stryków - Tuszyn, the A4 motorway between Rzeszów - Jarosław and the express road S-69, section Bielsko-Biała - Żywiec.

On January 14 this year, the consortia terminated the contracts signed with the client, i.e., the General Directorate for National Roads and Motorways (GDDKiA).

Withdrawal from the contracts and termination of the construction works on these sections of A1, A4 motorways and S69 express road were due to a failure, within the prescribed period, of a lawful security for the payment for the works in a total amount of more than 2 billion PLN.

Violations of the relevant provisions of the contract by the contracting authority, including rejecting legitimate claims of the consortia, as well as delaying the payment of remuneration for work, have been the subject of extensive correspondence and notices between the consortia and the contracting authority.

The consortia, bearing in mind the possibility of an amicable solution to the situation, repeatedly addressed GDDKiA to redress the shortcomings in order to enable the construction. However, it did not cause any effect.

Therefore, the consortia submitted demands to provide a security of payment of their remuneration. The consortia had made such requests, as the financial claims

submitted to the GDDKiA, and lengthy procedures and acceptance by GDDKiA of the additional costs incurred by the consortia had not guaranteed obtaining the payment of these amounts without lengthy court decisions.

Polimex-Mostostal is in the process of profound organizational and financial restructuring.

The company faces their great and key tasks within the Polish economy contracts for the construction of new power units at the power plants in Kozienice and Opole.

Therefore, Polimex-Mostostal cannot accept excessively long procedures during the financial accounts of GDDKiA and the fact of a failure by GDDKiA to submit a lawful security for the payment for the work.

Given a failure, within the required period, to submit the payment security, the consortia withdrew from the contracts with GDDKiA.

PDF