

SECTION - 8

SECURITIES AND OTHER FORMS

BID SECURITY (BANK GUARANTEE)

WHEREAS,----- (name of Bidder) (hereinafter called the "The Bidder") has submitted his bid Dated ----- (Date) for the construction of ----- (Name of Contractor hereinafter called "the Bid")

KNOW ALL PEOPLE by these presents that We ----- (name of Bank) of----- (name of country) having our registered office at ----- (hereinafter called "the bank") are bound unto ----- (name of Employer) (hereinafter called "The Employer") in the sum of ----- *

for which payment well and truly to be made to the said Employer the Bank itself, his successors and assigns by these presents.

SEALED with the Common Seal of the said Bank this ----- day of ----- 20

THE CONDITIONS of these obligations are:

(1) If after Bid opening the Bidder withdraws his bid during the period of Bid validity specified in the Form of Bid;

Or

(2) If the Bidder has been notified of the acceptance of his bid by the Employer during the period of Bid Validity:

A Fails or refuses to execute the Form of Agreement in accordance with the Instructions to Bidders, if required; or

B. Fails or refuse to furnish the Performance Security, in accordance with the Instructions to Bidders; or

C. does not accept the correction of the Bid Price pursuant to Clause 27 (Correction of Errors)

We undertake to pay to the Employer up to the above amount upon receipt of his first written demand, without the employer having to substantiate his demand, provided that in his demand the Employer will note that the amount claimed by him is due to him owing to the occurrence of one or any of the three conditions, specifying the occurred conditions or conditions.

This Guarantee will remain in force up to and including the date----- **
days after the deadline for submission of Bids as such the deadline is stated in the
Instructions to Bidders or as it may be extended by the Employer, notice of which
extension (s) to the Bank is hereby waived. Any demand in respect of this
guarantee should reach the Bank not later than the above date

DATE ----- SIGNATURE-----

WITNESS ----- SEAL -----

(Signature, name and address)

* The Bidder should insert the amount of the guarantee in words and figures
denominated in Indian Rupees. This figure should be the same as shown in
Clause 16.1 (Bid Security) of the Instructions to Bidders.

** **45 days** after the **end of the validity period** of the Bid. Date should be
inserted by the Employer before the Bidding documents are issued.

PERFORMANCE SECURITY

TO,

----- (Name of Employer)
----- (Address of Employer)

WHEREAS ----- (name and address of contractor) (hereafter called "the Contractor") has undertaken, in pursuance of Contracts No. ----- dates ----- to execute ----- (name of Contract and brief description of Works) (hereinafter called "The Contract")

AND WHEREAS it has been stipulated by you in the said Contract that the Contractor shall furnish you with a Bank Guarantee by a recognized bank for the sum specified therein as security for compliance with his obligation in accordance with the Contract.

AND WHEREAS we have agreed to give the Contractors such a bank Guarantee:

NOW THEREFORE we hereby affirm that we are the Guarantor and responsible to you on behalf of the Contractor, up to a total of ----- (amount of guarantee)* ----- (in words), such sum being payable in types and proportions of currencies in which the Contract prices is payable, and we undertake to pay you, upon your first written demand and without cavil or argument, any sum or sums within the limits of ----- (amount of guarantee) as aforesaid without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

We hereby waive the necessity of your demanding the said debt from the contractor before presenting is with the demand.

We further agree that no change or addition to or other modification of the terms of the Contract to of the Works to be performed thereunder or of any of the Contract documents which may be made between your and the Contractor shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such charge, addition or modifications.

This guarantee shall be valid until 60 days from the date of expiring of the Defect Liabilities period.

Signature and Seal of the guarantor -----

Name of Bank -----

Address -----

Date -----

*An amount shall be inserted by the Guarantor, representing the percentage the Contract price specified in the Contract denominated in Indian Rupees.

ADDITIONAL PERFORMANCE SECURITY

[Clause 34.1. (A)]

TO,

----- (Name of Employer)

----- (Address of Employer)

WHEREAS ----- (Name and address of contractor) (hereafter called "The Contractor") has undertaken, in pursuance of Contracts No. ----- dates ----- to execute -----
----- (Name of Contract and brief description of Works) (hereinafter called "The Contract")

AND WHEREAS it has been stipulated by you in the said Contract that the Contractor shall furnish you with a Bank Guarantee by a recognized bank for the sum specified therein as security for compliance with his obligation in accordance with the Contract.

AND WHEREAS we have agreed to give the Contractors such a bank Guarantee:

NOW THEREFORE we hereby affirm that we are the Guarantor and responsible to you on behalf of the Contractor, up to a total of -----
(amount of guarantee) ----- (in words), such sum being payable in types and proportions of currencies in which the Contract prices is payable, and we undertake to pay you, upon your first written demand and without cavil or argument, any sum or sums within the limits of -----
(amount of guarantee) as aforesaid without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

We hereby waive the necessity of your demanding the said debt from the contractor before presenting is with the demand

We further agree that no change or addition to or other modification of the terms of the Contract to of the Works to be performed thereunder or of any of the Contract documents which may be made between your and the Contractor shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such charge, addition or modifications.

This guarantee shall be valid until **28 days** from the project completion date.

Signature and Seal of the guarantor -----

Name of Bank -----

Address -----

Date -----

BANK GUARANTEE FOR ADVANCE PAYMENT

TO,

----- (Name of Employer)

----- (Address of Employer)

----- (Name of Contractor)

Gentlemen:

In accordance with the provisions of the Conditions of Contract, sub-clause 51.1 ("Advance Payment") of the above mentioned Contract, -----
----- (name and address of Contractor) (hereinafter called "the Contractor") shall deposit with ----- (name of Employer) a bank guarantee his proper and faithful performance under the said Clause of the Contract in an amount of ----- (amount of Guarantee)* -
----- in words).

We, the ----- (bank of financial institution), as instructed by the Contractor, agree unconditionally and irrevocably to guarantee as primary obligator and not as Surety merely, the payment to -----
(name of Employer) on his first demand without whatsoever right of obligation on our part and without his first claim to the Contractor, in the amount not exceeding ---
----- (amount of guarantee)* ----- (in words)

We further agree that no change or addition to or other modifications of the terms of the Contractor or Works to be performed thereunder or of any of the Contract documents which may be made between ----- (name of Employer) and the Contractor, shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition or modifications.

This guarantee shall remain valid and in full effect from the date of the advance payment under the Contract until ----- (name of employer) receives full repayment of the same amount from the contractor.

YOUR'S TRULY

Signature and Seal _____
Name of Bank/ Financial Institution _____
Address _____
Date _____

* An amount shall be inserted by that Bank or Financial Institution representing the amount of the Advance Payment, and denominated in Indian Rupees.

Letter of Acceptance
(Letter head paper of the Employer)

_____ (date)

To, _____ (Name and address of the Contractor)

Dear Sirs,

This is to notify you that your Bid dated _____ for execution of the _____ (Name of the contract and identification number, as given in the Instructions to Bidders) for the Contract Price of Rupees _____ (_____) (amount in words and figures) as corrected and modified in accordance with the Instructions to Bidders* is hereby accepted by our agency.

You are requested to furnish performance security, in the form detailed in para 34.1 of ITB for an amount equivalent to Rs. _____ within **10 days** of the receipt of this letter of acceptance up to beyond **60 days** from the date of expiry of defects Liability period i.e. up to _____ and the Additional Performance Security for an amount equivalent to Rs. _____ shall be valid beyond 28 (twenty-eight) days of Project Completion Date i.e. up to _____ and sign the contract, failing which action as stated in Para 34.3 of ITB will be taken.

Yours Faithfully

Authorized Signature
Name and title of Signatory
Name of Employer

* Delete "Corrected and" or and modified if only one of these actions applies. Delete as corrected and modified in accordance with the Instructions to Bidders, if corrections or modifications have not been affected.

Issue of Notice to proceed with the work

(Letterhead of the Employer)

----- (date)

To,

_____(Name and address of the Contractor)

Dear Sirs,

Pursuant to your furnishing the requisite security in ITB Clause 34.1 and
signing of the Contract for the construction of _____

_____ at a bid Price of Rs.

_____.

You are hereby instructed to proceed with the execution of the said works in
accordance with the contract documents.

Yours faithfully

(Signature, name and title of signatory authorized
To sign on behalf of Employer)

AGREEMENT FORM

This agreement, made on the _____ day of _____ between _____ (name and address of Employer) (Hereinafter called "the Employer) and _____ (name and address of contractor) hereinafter called "the Contractor" of the other part.

Whereas the Employer is desirous that the Contractor execute

Name and identification number of contract (hereinafter called "the works") and the employer has accepted the Bid by the Contractor for the execution and completion of such works and the remedying of any defects therein, at a cost of Rs.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS

1. In this Agreement, words and expression shall have the same meanings as are respectively assigned to them in the conditions of contract hereinafter referred to and they shall be deemed to form and be read construed as part of this Agreement.
2. In Consideration of the payment to be made by the Employer to the contractor as hereinafter mentioned, the Contractor hereby covenants with the Employer to executive and complete the works and remedy any defects therein in conformity in all aspects with the provisions of the contracts.
3. The employer hereby covenants to pay the Contractor in consideration of the execution and completion of the works and the remedying the defects wherein contract price or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the contract.
4. The Following documents shall be deemed to form and be ready and construed as part of this Agreement viz

- i) letter of Acceptance
- ii) Notice to proceed with the works:
- iii) Contractor's Bid

- iv) Conditions of contract: General and Special
- v) Contract Data
- vi) Additional conditions
- vii) Drawings
- viii) Bill of Quantities and
- ix) Any other documents listed in the Contract data as forming part of the Contract.

In witness whereof the parties there to have caused this Agreement to be executed the day and year first before written

The Common seal of _____
Was hereunto affixed in the presence of :

Signed, sealed and Delivered by the said _____

In the presence of

Binding signature of Employer _____

Binding Signature of Contractor _____

UNDERTAKING
(For Investment)

I, the undersigned do hereby undertake that our firm M/s would invest a minimum cash up to **25%** of the value of the work during implementation of the contract.

(Signed by an Authorized officer of the firm)

Title of officer

Name of firm

DATE

UNDERTAKING
(For Validity)

I, the undersigned do hereby undertake that our firm M/s
..... agree to abide by this bid for a period days
for date fixed for receiving the same and it shall be binding on us and may be accepted at
any time before the expiration of that period.

(Signed by an Authorized officer of the firm)

Title of officer

Name of firm

DATE