**FORM OF TENDER SECURITY**

**(BANK GUARANTEE)**

Whereas,………………………………………………….[ name and address of the Employer] (hereinafter called the employer) invited tenders for the construction and completion of ………………………Works [state designation or short description of the Works] and the remedying of any defects therein, and it is required, in accordance with the instructions to Tenderers, that each tender be accompanies by a tender security; and

Whereas, ……………………………………………………[name of tenderer] (hereinafter called the Tenderer) has submitted a tender dated………………… (hereinafter called the Tender).

NOW, THEREFORE, inconsideration of the Tender being entertained by the Employer alongside other tenders, we [*name of bank*], having our registered office at [*address of bank*], (hereinafter called the Bank0,hereby undertake and bind ourselves, our successors and assigns, to pay to [*Name of the Employer*] the sum of [*amount in figures and words*] upon the following conditions:

1. If, after the closing date for the submittal of tenders and during the period of validity of the Tender specified by the Tenderer in the Form of Tender, the Tenderer withdraws the Tender; or
2. If the Tenderer, having been notified by the Purchaser during the period of validity of the Tender of the acceptance thereof:
   1. Fails or refuses to execute the Form of Agreement in accordance with Instructions to Tenderers; or
   2. Fails or refuses to furnish the Performance Security in accordance with the Instructions to Tenderers,

We undertake to pay to the Purchaser the above mentioned amount upon receipt of its first written demand, without the Purchaser having to substantiate its demand, provided that the Purchaser states in its demand that the amount claimed therein is due to the Purchaser owing to the occurrence of one or both of the above conditions and specifies the condition or conditions which have occurred.

This Guarantee shall remain in force up to and including the date falling thirty (30) days after the period of validity of the tender, as such period may be extended with the agreement of the Tenderer, notice of which extension(s) s hereby waived by the Bank. Any demand in respect of this Guarantee shall be presented to the bank not later than the date specified above.

Done in *name of city*] on the ………………… day of *[month]* of *[year]*.

*[signature(s) on behalf of the bank]*

*[Name(s) of Authorized representative(s)]*

*[Designation(s)]*

*[Seal of the Bank]*

FORM OF PERFORMANCE SECURITY

(BANK GUARANTEE)

Date: \_\_\_\_\_\_\_\_\_

To: ............................................

................................................

*[name and address of Employer]*

**Whereas,** with a view to signature of a formal contract with \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[name of the Contractor],* whose principal place of business is at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*[address of Contractor],* (hereinafter called the Contractor), you have accepted a tender by the Contractor for the construction and completion of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[state designation or short description of Works]* (hereinafter called the Works) and the remedying of any defects therein;

Whereas, by virtue of the acceptance of his tender, the Contractor is obligated to provide a guarantee by a Bank acceptable to you of the good performance of his obligations under the contract made or to be made hereafter for the execution of the Works, (said contract hereinafter referred to as the Contract); and

Whereas, we have agreed to furnish such bank guarantee.

NOW, THEREFORE, in consideration of your acceptance of this bank guarantee in fulfillment of the Contractor’s obligation to provide such guarantee, we \_\_\_\_\_\_\_\_\_\_ *[bank],*  waiving all objections and defenses on the basis of the Contractor, hereby irrevocably and unconditionally undertake to pay to you up to the maximum amount of \_\_\_\_\_\_\_\_\_\_\_\_ [amount of Guarantee in figures and words], without any demur to such payment, argument or delay, upon your first written demand stating that the Contractor failed to perform any of his obligation under the Contract, such statement by you being deemed as conclusive for the purpose of this bank guarantee. In case of any claim by you under this bank guarantee, payment shall be made by us in the types and proportions of the currencies in which, as stated by you in your demand, the Contract Price is payable.

We hereby specifically waive any right we may have to require that you demand payment by the Contractor or any change, addition to or modification of the Contract or of the Works to be executed there under shall not in any way release us from our liability under this bank guarantee, and we hereby waive any right to consent to or receive notice of such forbearance, extension of time, change, addition or modification.

This guarantee shall be governed by the laws of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[state country of the Employer]* and the courts of that country shall have exclusive jurisdiction to adjudicate on any dispute relating to the interpretation or application of this guarantee.

This guarantee shall be valid from the date hereof until 28 days after the issue of the Defect Liability certificate provided for the Contractor.

Signed *\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

*[Signature(s), as appropriate, on behalf of the Guaranteeing Bank]*

*[Seal of the Bank]*

FORM OF BANK GUARANTEE FOR THE ADVANCE PAYMENT

Date: \_\_\_\_\_\_\_\_\_

To: .............................................

*[name and address of Employer]*

**Whereas,** a contract dated \_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter referred to as the Contract) was entered into by you with \_\_\_\_\_\_\_\_\_\_\_\_ *[insert name of the Contractor]* (hereinafter called the Contractor), whereby the Contractor undertook to execute and complete \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[state designation or short description of Works];*

Whereas, the Contract provides for an advance payment to be made by you to the Contractor in the amount(s) of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[state currency / currencies and amount/ amounts]* (hereinafter referred to as the Advance Payment) for the purpose of mobilization, provided the repayment of such advance is guaranteed by a bank acceptable to you;

Whereas, we are willing to provide the required guarantee in accordance with the request of the Contractor.

NOW, THEREFORE, in consideration of your making of the Advance Payment to the Contractor against the security of this guarantee, we \_\_\_\_\_\_\_\_\_\_ *[bank],* hereby unconditionally and irrevocably guarantee, as primary obligor and not merely as surety, the payment to you, upon your first written demand, *[state currency / currencies and amount/ amounts in figures and words],*  without any objection on our part, on whatever grounds, and without requiring that you demand payment by, or proceed against the Contractor before demanding payment by us.

The amount of this guarantee shall be reduced by the amounts, if any, recovered by you by deductions from payments due to the Contractor under the Contract, and your statement of the total of such amounts, if any, shall be deemed as conclusive for the purpose of this guarantee.

We agree that any forbearance granted by you to the Contractor or any change, addition to or modification of the Contract or of the Works to be executed there under shall not in any way release us from our liability under this guarantee, and we hereby waive any right to consent to or receive notice of such forbearance, change, addition or modification.

No drawing may be made by you against this guarantee until we have received notice from you that the Advance Payment has been made to the Contractor. Such notice shall be deemed as conclusive for the purpose of this guarantee.

This guarantee shall be governed by the laws of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[state country of the Employer]* and the courts of that country shall have exclusive jurisdiction to adjudicate on any dispute relating to the interpretation or application of this guarantee.

This guarantee shall remain valid and in full force and effect from the date of making the Advance Payment to the Contractor by you, as such date is notified by you, until the Advance Payment is repaid in full to you by the Contractor.

Signed *\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

*[Signature(s), as appropriate, on behalf of the Guaranteeing Bank]*

*[Seal of the Bank]*