****Edited by C

**Ministry of Finance**

Republic of Maldives

**Bidding Document for Procurement of:**

**Design & Build for Construction of Water Supply and Sewerage Facilities in B. Dhonfanu**

**Project Number: TES/2021/**

**(National Competitive Bidding – Single Stage Single Envelope)**

**Employer: Ministry of National Planning, Housing and Infrastructure**

**February 2021**

National Tender

Ministry of Finance

# Conditions of Contract & contract forms

**Tables of Contents**

[Part 3- Conditions of Contract & contract forms 1](#_Toc64326476)

[Section XII - General Conditions of Contract (GCC) 2](#_Toc64326477)

[Section XIII - Particular Conditions (PC) 3](#_Toc64326478)

[Section XIV - Contract Forms 10](#_Toc64326479)

## General Conditions of Contract (GCC)

The Conditions of Contract comprise two parts, General Conditions of Contract (GCC) and Particular Conditions of Contract (PCC); Part A (Contract Data) & Part B (Specific Provisions).

The General Conditions shall be the Fédération Internationale des Ingénieurs-Conseils (FIDIC) Conditions of Contract - Second Edition 2017, for Plant and Design-Build for Electrical and Mechanical Plant, and for Building and Engineering works, Designed by the Contractor.

*Copy of FIDIC Conditions of Contract, referred to above, may be obtained from:*

*FIDIC Secretariat*

*P.O. Box 86*

*CH 1000 Lausanne 12*

*Switzerland*

*Fax No: +41 21 653 5432*

## Particular Conditions (PC)

The following Particular Conditions shall supplement the GC. Whenever there is a conflict, the provisions herein shall prevail over those in the GC.

### Part A – Contract Data

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Conditions** | | **Sub-Clause** | **Data** | |
| **Employer’s name and address** | | 1.1.30 & 1.3 | Ministry of National Planning, Housing and Infrastructure,  Ameenee Magu, Maafannu  Male’ 20392,  Republic of Maldives | |
| **Contractor’s name and address** | | 1.1.13 | ---  --- | |
| **Engineer’s name and address** | | 1.1.35 & 1.3 | Mr. Ibrahim Naufal  Ministry of National Planning, Housing and Infrastructure,  Ameenee Magu, Maafannu  Male’ 20392,  Republic of Maldives | |
| **Time for Completion of the Works** | | 1.1.86 | Section 1 – Survey, EIA and Detailed Design – 05 months from the date of commencement.  Section 2 – Construction works (Including 03 months trial operation) – 18 months from the date of taking-over of section 1 by Employer. | |
| **Defects Notification Period** | | 1.1.27 | 365 days for the whole works | |
| **Electronic transmission systems** | | 1.3 | Electronic Mail and Facsimile | |
| **Governing Law** | | 1.4 | Law of the Republic of Maldives | |
| **Ruling language** | | 1.4 | English | |
| **Language for communications** | | 1.4 | English | |
| **Time for access to the Site** | | 2.1 | 14 days before Commencement Date | |
| **Amount of Performance Security** | | 4.2 | 5% of Accepted Contract Amount | |
| **Period for notifying unforeseeable errors, faults and defects in the Employer’s Requirements** | | 5.1 | 42 days | |
| **Normal working hours** | | 6.5 | 8 hours per day or as suited at site of work | |
| **Delay damages for the Works** | | 8.8 & 14.15(c) | Section 1 - 0.25% of the Section Value per day, in the currencies and proportions in which the Contract Price is payable.  Section 2 - 0.25% of the Section Value per day, in the currencies and proportions in which the Contract Price is payable. | |
| **Maximum amount of Delay damages** | | 8.8 | Section 1 - 15% of Section Value  Section 2 – 15% of Section Value | |
| **Total advance payment** | | 14.2 | 10% of the Accepted Contract Amount. | |
| **Amortization Rate** | | 14.2.3(b) | 20% | |
| **Percentage of Retention** | | 14.3 | 10% | |
| **Limit of Retention Money** | | 14.3 | 5% of the Accepted Contract Amount | |
| **Plant and Materials intended for the Works** | | 14.5 | Not Applicable | |
| **Minimum amount of Interim Payment Certificate** | | 14.6.2 | 2% of the Accepted Contract amount. | |
| **Currency of Payment** | | 14.15 | Maldivian Rufiyaa as named in the Letter of Tender | |
| **Periods for submission of insurance:**   1. **Evidence of insurance** 2. **Relevant policies** | | 19.1  19.1 | 28 days  28 days | |
| **Maximum amount of third-party insurance** | | 19.2.4 | MVR 1 Million | |
| **Constitution of the DAAB** | | 21.1 | A DAB of three members to be appointed when either party decides to call on the board for resolution of a dispute. | |
| **Failure to Appoint DAAB member(s)** | | 21.2 | Ministry of Finance | |
|  | |  |  | |
| **Definitions of Sections:** | | | | | |
| **Description**  **(Sub-Clause 1.1.7.6)** | **Value: percentage\* of**  **Accepted Contract Amount** | | **Time for Completion**  **(Sub-Clause 1.1.86)** | **Delay Damages**  **(Sub-Clause 8.8)** |
| Section 1 – Survey, EIA and Detailed Design | 5% of Accepted Contract Amount | | 05 Months from the date of Commencement | 0.25% of Section value per day |
| Section 2 – Construction Works including 03 months trial operation | 95% of Accepted Contract Amount | | 18 Months from the date of taking-over of section 1 by the Employer | 0.25% of Section value per day |
| * **These percentages shall also be applied to each half of the Retention Money under Sub-Clause 14.9** | | | | | |

### Part B - Specific Provisions

The Particular Conditions of Contract (PCC) - Specific provisions, is to amend or for additions to the General Conditions of Contract (GCC). Whenever there is a conflict, the provisions herein shall prevail over those in the GCC.

| **Item** | **Sub-Clause** | **Data** |
| --- | --- | --- |
| ***Clause 1*** |  |  |
| ***Priority of Documents*** | 1.5 | *Sub-Clause 1.5 shall be read as below;*  The documents forming the Contract are to be taken as mutually explanatory of one another. If an ambiguity or discrepancy is found, the priority of the documents shall be in accordance with the following sequence:   1. The Contract Agreement 2. The Letter of Acceptance 3. The Letter of Tender 4. Addenda’s and Pre-bid Clarifications 5. Minutes of Negotiation Meeting 6. The Particular Conditions Part A – Contract Data 7. The Particular Conditions Part B – Special Provisions 8. The General Conditions 9. The Employer’s Requirements 10. The Completed Schedules (Price Schedules) 11. The Contractors Technical Proposal   If a Party finds an ambiguity or discrepancy in the documents, that Party shall promptly give a Notice to the Engineer, describing the ambiguity or discrepancy. After receiving such Notice, or if the Engineer finds an ambiguity or discrepancy in the documents, the Engineer shall issue the necessary clarification or instruction. |
| ***Other Definitions*** | 1.1.91 | *Add after 1.1.90*  “Employer’s Representative” means an entity or a person assigned by the entity for the monitoring of Works under the under Contract. |
| ***Clause 2*** |  |  |
| ***Employer’s Financial Arrangements*** | 2.4 | *This Sub-Clause is not applicable* |
| ***Employer’s Representative*** | 2.7 | *Insert Additional sub-Clause 2.6 after Sub-Clause 2.6*  The Employer’s Representative shall:   * Monitor the works on site daily and prepare daily sheets for the work progress. * hold monthly site meetings with the project team * Inform the employer of any issue to be rectified or requiring immediate attention.   Assist the Engineer in resolving issues at site which need the intervention of Employer. |
| ***Clause 3*** |  |  |
| ***Engineer’s Duties and Authority*** | 3.2 | The Engineer shall obtain consent of the Employer before ordering any works involving delay or any extra payment by the Employer . |
| ***Management Meetings*** | 3.8 | *Sub-clause 3.8 shall be read as below*  The Engineer shall invite the Contractor, Employer and other relevant parties to the first Management Meeting where he shall decide upon intervals between future Management Meetings.  The purpose of these Management Meetings is to coordinate the Works with the Contractor, (and other parties if deemed necessary) to record progress in relation to agreed program, and to reach and verify agreements.  Minutes of each Management Meeting will be prepared by the Engineer and circulated to all parties attending the Management Meeting, prior to the next meeting. Agreements reached at a particular Management Meeting if duly recorded and confirmed at the next meeting will be considered accepted by all parties. Where such agreements require to be confirmed by Instructions from the Engineer in compliance with the Contract, the Engineer shall forthwith issue such Instructions.  Agreement reached at meetings shall not be means to override the requirements to follow stipulated procedure and to submit the required quality assurance documents, method statements, shop drawings etc. |
| ***Clause 4*** |  |  |
| ***Performance Security*** | 4.2 | *At the end of first paragraph, insert the following:*  If the Performance Security is in the form of a bank guarantee, it shall be issued either (a) by a local bank, or (b) by a foreign bank having a local correspondent bank. |
| ***Contractor’s Representative*** | 4.3 | *At the end of the second paragraph of Sub-Clause 4.3:*  The Contractor’s Representative and all these persons shall also be fluent in English Language. |
| ***Safety Procedures*** | 4.8 | *Add the following as last paragraph of Sub-Clause 4.8*  The Engineer may call a halt to all works if the contractor fails to meet any of the requirements outlined in this clause. Works shall not recommence until such time as the Contractor has remedied their failure to comply with this conditions of this clause. Any costs incurred as a result of the contractor being ordered to halt work under this clause shall be borne by the contractor. |
| ***Unforeseeable Physical Conditions*** | 4.12 | *Substitute the first paragraph of the Sub-Clause and replace with the following:*  “In this Sub-Clause, “physical conditions” means natural physical conditions and man-made and other physical obstructions and pollutants, which the Contractor encounters at the Site when executing the Works, including hydrographic and sub-seabed conditions but excluding climatic conditions and the effects of those climatic conditions. Hard rock (Beach rock) areas or areas where excavation works cannot be carried out using normal methodology of works shall not be considered as unforeseeable under this Clause.” |
| ***Protection of the Environment*** | 4.18 | *Read sub-clause 4,18 as below*   1. The Contractor must comply with Environment Protection and Preservation Act 1993 (Act no. 4/93) of Maldives and shall take all necessary measures to protect the environment. 2. the Contractor shall take all necessary measures to comply with Environmental Impact Assessment (EIA) reports approved by Environmental Protection Agency (EPA). 3. The Contractor shall take all necessary measures to comply with Dewatering regulation (Regulation no. 2013/R-1697). 4. The Contractor must ensure that all of its subcontractors and representatives comply with the above requirements. |
| ***Clause 6*** |  |  |
| ***Engagement of Staff and Labour*** | 6.1 | *Add to this Sub-Clause*  The Contractor is encouraged, to the extent practicable and reasonable, to employ staff and labor with appropriate qualification and experience from sources within the Country of Works. |
| ***Clause 8*** |  |  |
| ***Commencement of Work*** | 8.1 | The contractor shall commence the works pertaining to section 1 of the contract within 21 days of signing of the contract agreement. |
| ***Clause 14*** |  |  |
| ***Schedule of Payments*** | 14.4 | This Sub-Clause is not applicable. |
| ***Plant and Materials intended for the Works*** | 14.5 | This Sub-Clause is not applicable. |
| ***Clause 15*** | 15.2 (h) | Sub Clause 15.2(h) is amended to read as under:  is found, based on reasonable evidence, to have engaged in corrupt, fraudulent, collusive or coercive practice at any time in relation to the works or to the contract.  The definitions of actions set forth below cover the most common types of corrupt practices, but are not exhaustive. For this reason, the Employer shall also take action in the event of any similar deed or complaint involving alleged acts of corruption, even when these are not specified in the following list. The Employer shall in all cases proceed in accordance with Sub-Clause 15.2.  In pursuance of this policy:   1. The Employer defines the terms set forth below as follows: 2. "Bribery" meaning the offering or giving of anything of value to influence the actions or decisions of third parties or the receiving or soliciting of any benefit in exchange for actions or omissions related to the performance of duties; 3. "Extortion" or "Coercion" meaning the act of obtaining something, compelling an action or influencing a decision through intimidation, threat or the use of force, where potential or actual injury may befall upon a person, his/her reputation or property; 4. "Fraud" meaning any action or omission intended to misrepresent the truth so as to induce others to act in reliance thereof, with the purpose of obtaining some unjust advantage or causing damage to others; and 5. "Collusion" meaning a secret agreement between two or more parties to defraud or cause damage to a person or entity or to obtain an unlawful purpose; |
| ***Clause 20*** |  |  |
| ***Employer’s & Contractor’s Claim- Fully Detailed Claim*** | 20.2.4 | *Amend number of days referred in sub-Clause 20.2.4 (i) to:*  from 84 days to 56 days |
| ***Arbitration*** | 21.6 | At the end of sub-paragraph (c), insert the following:  d ) Arbitration shall be conducted in Maldives. |

## Contract Forms

#### Letter of Acceptance

*[letterhead paper of the Employer]*

*[date]*

**To:***[Name and address of the Contractor]*

This is to notify you that your Bid dated *[date]* for execution of the *[name of the Contract and identification number, as given in the Contract Data]* for the Accepted Contract Amount of the equivalent of *[amount in numbers and words] [name of currency]*, as corrected and modified in accordance with the Instructions to Bidders, is hereby accepted by our Agency.

You are requested to furnish the Performance Security within 28 days in accordance with the Conditions of Contract, using for that purpose one of the Performance Security Form*s* included in Section IX, Annex to the Particular Conditions - Contract Forms, of the Bidding Documents

Authorized Signature:

Name and Title of Signatory:

Name of Agency:

#### Contract Agreement

THIS AGREEMENT made the \_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_, between [*insert name and address of Employer*]of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter “the Employer”), of the one part, and [ *insert name and address of Contractor*] \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter “the Contractor”), of the other part:

WHEREAS the Employer is desirous that certain Works known as “Design and Build of Provision of Water Supply and Sewerage Facilities in --” should be executed by the Contractor, and has accepted a Bid by the Contractor for the execution and completion of such Works and the remedying of any defects in accordance with the terms and conditions set forth in this Agreement for a total Accepted Lump Sum Contract Amount of MVR --- (Maldivian Rufiyaa -----------only) inclusive of Goods and Services Tax therein.

The Employer and the Contractor agree as follows:

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Contract documents referred to.

2. The following documents shall be deemed to form and be read and construed as part of this Agreement. This Agreement shall prevail over all other Contract documents.

1. The Letter of Acceptance
2. The Letter of Bid
3. Particular Conditions Part A – Contract Data
4. Particular Conditions Part B – Special Provisions
5. General Conditions;
6. Employers Requirements
7. Price Schedules
8. Contractors Proposal
9. Any other document forming part of the Contract.

3. This agreement shall be effective upon submission of Performance Guarantee in accordance with the Letter of Acceptance issued.

4. In consideration of the payments to be made by the Employer to the Contractor as specified in this Agreement, the Contractor hereby covenants with the Employer to execute the Works and to remedy defects therein in conformity in all respects with the provisions of the Contract.

5. The Employer hereby covenants to pay the Contractor in consideration of the execution and completion of the Works and the remedying of defects therein, the 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.

IN WITNESS whereof the parties hereto have caused this Agreement to be executed in accordance with the laws of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ on the day, month and year specified above.

Signed by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (for the Employer)

Signed by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (for the Contractor)

#### Performance Security

**(Option 1 : Bank Guarantee)**

*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

**Beneficiary:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

**PERFORMANCE GUARANTEE No.:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Guarantor:** *\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

We have been informed that \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter called "the Applicant") has entered into Contract No. \_\_\_\_\_\_\_\_\_\_\_\_\_ dated \_\_\_\_\_\_\_\_\_\_\_\_ with the Beneficiary, for the execution of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter called "the Contract").

Furthermore, we understand that, according to the conditions of the Contract, a performance guarantee is required.

At the request of the Applicant, we as Guarantor,hereby irrevocably undertake to pay the Beneficiary any sum or sums not exceeding in total an amount of \_\_\_\_\_\_\_\_\_\_\_   
(),[[1]](#footnote-1)1 such sum being payable in the types and proportions of currencies in which the Contract Price is payable, upon receipt by us of the Beneficiary’s complying demand supported by the Beneficiary’s statement, whether in the demand itself or in a separate signed document accompanying or identifying the demand, stating that the Applicant is in breach of its obligation(s) under the Contract, without the Beneficiary needing to prove or to show grounds for your demand or the sum specified therein.

This guarantee shall expire, no later than the …. Day of ……, 2… [[2]](#footnote-2)2, and any demand for payment under it must be received by us at this office indicated above on or before that date.

This guarantee is subject to the Uniform Rules for Demand Guarantees (URDG) 2010 Revision, ICC Publication No. 758, except that the supporting statement under Article 15(a) is hereby excluded.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   
*[signature(s)]*

**Note: All italicized text (including footnotes) is for use in preparing this form and shall be deleted from the final product.**

**Option 2: Performance Bond (Not Applicable)**

By this Bond\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as Principal (hereinafter called “the Contractor”) and\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_] as Surety (hereinafter called “the Surety”), are held and firmly bound unto\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_] as Obligee (hereinafter called “the Employer”) in the amount of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, for the payment of which sum well and truly to be made in the types and proportions of currencies in which the Contract Price is payable, the Contractor and the Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS the Contractor has entered into a written Agreement with the Employer dated the day of , 20 , for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in accordance with the documents, plans, specifications, and amendments thereto, which to the extent herein provided for, are by reference made part hereof and are hereinafter referred to as the Contract.

NOW, THEREFORE, the Condition of this Obligation is such that, if the Contractor shall promptly and faithfully perform the said Contract (including any amendments thereto), then this obligation shall be null and void; otherwise, it shall remain in full force and effect. Whenever the Contractor shall be, and declared by the Employer to be, in default under the Contract, the Employer having performed the Employer’s obligations thereunder, the Surety may promptly remedy the default, or shall promptly:

(1) complete the Contract in accordance with its terms and conditions; or

(2) obtain a Bid or bids from qualified Bidders for submission to the Employer for completing the Contract in accordance with its terms and conditions, and upon determination by the Employer and the Surety of the lowest responsive Bidder, arrange for a Contract between such Bidder and Employer and make available as work progresses (even though there should be a default or a succession of defaults under the Contract or Contracts of completion arranged under this paragraph) sufficient funds to pay the cost of completion less the Balance of the Contract Price; but not exceeding, including other costs and damages for which the Surety may be liable hereunder, the amount set forth in the first paragraph hereof. The term “Balance of the Contract Price,” as used in this paragraph, shall mean the total amount payable by Employer to Contractor under the Contract, less the amount properly paid by Employer to Contractor; or

(3) pay the Employer the amount required by Employer to complete the Contract in accordance with its terms and conditions up to a total not exceeding the amount of this Bond.

The Surety shall not be liable for a greater sum than the specified penalty of this Bond.

Any suit under this Bond must be instituted before the expiration of one year from the date of the issuing of the Taking-Over Certificate.

No right of action shall accrue on this Bond to or for the use of any person or corporation other than the Employer named herein or the heirs, executors, administrators, successors, and assigns of the Employer.

In testimony whereof, the Contractor has hereunto set his hand and affixed his seal, and the Surety has caused these presents to be sealed with his corporate seal duly attested by the signature of his legal representative, this day of 20 .

SIGNED ON on behalf of

By in the capacity of

In the presence of

SIGNED ON on behalf of

By in the capacity of

In the presence of

#### Advance Payment Security

**Demand Guarantee**

*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

**Beneficiary:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

**ADVANCE PAYMENT GUARANTEE No.:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Guarantor:** *\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

We have been informed that \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter called “the Applicant”) has entered into Contract No. \_\_\_\_\_\_\_\_\_\_\_\_\_ dated \_\_\_\_\_\_\_\_\_\_\_\_ with the Beneficiary, for the execution of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter called "the Contract").

Furthermore, we understand that, according to the conditions of the Contract, an advance payment in the sum \_\_\_\_\_\_\_\_\_\_\_ ()is to be made against an advance payment guarantee.

At the request of the Applicant, we as Guarantor,hereby irrevocably undertake to pay the Beneficiary any sum or sums not exceeding in total an amount of \_\_\_\_\_\_\_\_\_\_\_   
()*[[3]](#footnote-3)1* upon receipt by us of the Beneficiary’s complying demand supported by the Beneficiary’s statement, whether in the demand itself or in a separate signed document accompanying or identifying the demand, stating either that the Applicant:

* + 1. has used the advance payment for purposes other than the costs of mobilization in respect of the Works; or
    2. has failed to repay the advance payment in accordance with the Contract conditions, specifying the amount which the Applicant has failed to repay.

A demand under this guarantee may be presented as from the presentation to the Guarantor of a certificate from the Beneficiary’s bank stating that the advance payment referred to above has been credited to the Applicant on its account number \_\_\_\_\_\_\_\_\_\_\_ at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_..

The maximum amount of this guarantee shall be progressively reduced by the amount of the advance payment repaid by the Applicant as specified in copies of interim statements or payment certificates which shall be presented to us. This guarantee shall expire, at the latest, upon our receipt of a copy of the interim payment certificate indicating that ninety (90) percent of the Accepted Contract Amount, less provisional sums, has been certified for payment, or on the \_\_\_ day of \_\_\_\_\_, 2\_\_\_,[[4]](#footnote-4)2 whichever is earlier.Consequently, any demand for payment under thisguarantee must be received by us at this office on or before that date..

This guarantee is subject to the Uniform Rules for Demand Guarantees (URDG) 2010 Revision, ICC Publication No. 758, except that the supporting statement under Article 15(a) is hereby excluded.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   
*[signature(s)]*

**Note: All italicized text (including footnotes) is for use in preparing this form and shall be deleted from the final product.**

#### Retention Money Security

**Demand Guarantee**

*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [Guarantor letterhead or SWIFT identifier code]*

**Beneficiary:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[Insert name and Address of* Employer*]*

**Date:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*[Insert date of issue]*

**RETENTION MONEY GUARANTEE No.:** *[Insert guarantee reference number]*

**Guarantor:** *[Insert name and address of place of issue, unless indicated in the letterhead]*

We have been informed that \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[insert name of Contractor, which in the case of a joint venture shall be the name of the joint venture]* (hereinafter called "the Applicant") has entered into Contract No. \_\_\_\_\_\_\_\_\_\_\_\_\_ *[insert reference number of the contract]*dated \_\_\_\_\_\_\_\_\_\_\_\_ with the Beneficiary, for the execution of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[insert name of contract and brief description of* Works*]*(hereinafter called "the Contract").

Furthermore, we understand that, according to the conditions of the Contract, the Beneficiary retains moneys up to the limit set forth in the Contract (“the Retention Money”), and that when the Taking-Over Certificate has been issued under the Contract and the first half of the Retention Money has been certified for payment, payment of *[insert the second half of the Retention Moneyor if the amount guaranteed under the Performance Guarantee when the Taking-Over Certificate is issued is less than half of the Retention Money,thedifference between half of the Retention Money and the amount guaranteed under the Performance Security]* is to be made against a Retention Money guarantee.

At the request of the Applicant, we,as Guarantor, hereby irrevocably undertake to pay the Beneficiary any sum or sums not exceeding in total an amount of \_\_\_\_\_\_\_\_\_\_\_ *[insert amount in figures]*()*[amount in words][[5]](#footnote-5)1* upon receipt by us of the Beneficiary’s complying demand supported by the Beneficiary’s statement, whether in the demand itself or in a separate signed document accompanying or identifying the demand, stating that the Applicant is in breach of its obligation(s) under the Contract,without your needing to prove or show grounds for your demand or the sum specified therein.

A demand under this guarantee may be presented as from the presentation to the Guarantor of a certificate from the Beneficiary’s bank stating that the second half of the Retention Money as referred to above has been credited to the Applicant on its account number \_\_\_\_\_\_\_\_\_\_\_ at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[insert name and address of Applicant’s bank]*.

This guarantee shall expireno later than the …. day of ……, 2… [[6]](#footnote-6)2, and any demand for payment under it must be received by us at the office indicated above on or before that date.

This guarantee is subject to the Uniform Rules for Demand Guarantees (URDG) 2010 Revision, ICC Publication No. 758, except that the supporting statement under Article 15(a) is hereby excluded.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   
*[signature(s)]*

**Note: All italicized text (including footnotes) is for use in preparing this form and shall be deleted from the final product.**

1. *1 The Guarantor shall insert an amount representing the percentage of the Accepted Contract Amount specified in the Letter of Acceptance, less provisional sums, if any, and denominated either in the currency(cies) of the Contract or a freely convertible currency acceptable to the Beneficiary.* [↑](#footnote-ref-1)
2. *2 Insert the date twenty-eight days after the expected completion dateas described in GC Clause 11.9. The Employer should note that in the event of an extension of this date for completion of the Contract, the Employer would need to request an extension of this guarantee from the Guarantor. Such request must be in writing and must be made prior to the expiration date established in the guarantee. In preparing this guarantee, the Employer might consider adding the following text to the form, at the end of the penultimate paragraph: “The Guarantor agrees to a one-time extension of this guarantee for a period not to exceed [six months][one year], in response to the Beneficiary’s written request for such extension, such request to be presented to the Guarantor before the expiry of the guarantee.”* [↑](#footnote-ref-2)
3. 1 *The Guarantor shall insert an amount representing the amount of the advance payment and denominated either in the currency(ies) of the advance payment as specified in the Contract, or in a freely convertible currency acceptable to the Employer.* [↑](#footnote-ref-3)
4. 2 *Insert the expected expiration date of the Time for Completion. The Employer should note that in the event of an extension of the time for completion of the Contract, the Employer would need to request an extension of this guarantee from the Guarantor. Such request must be in writing and must be made prior to the expiration date established in the guarantee. In preparing this guarantee, the Employer might consider adding the following text to the form, at the end of the penultimate paragraph: “The Guarantor agrees to a one-time extension of this guarantee for a period not to exceed [six months][one year], in response to the Beneficiary’s written request for such extension, such request to be presented to the Guarantor before the expiry of the guarantee.”* [↑](#footnote-ref-4)
5. 1 *The Guarantor shall insert an amount representing the amount of the second half of the Retention Money or or if the amount guaranteed under the Performance Guarantee when the Taking-Over Certificate is issued is less than half of the Retention Money, the difference between half of the Retention Money and the amount guaranteed under the Performance Security and denominated either in the currency(ies) of the second half of the Retention Money as specified in the Contract, or in a freely convertible currency acceptable to the Beneficiary.* [↑](#footnote-ref-5)
6. *2 Insert the same expiry date as set forth in the performance security, representing the date twenty-eight days after the completion date described in GC Clause 11.9. The Employer should note that in the event of an extension of thisdatefor completion of the Contract, the Employer would need to request an extension of this guarantee from the Guarantor. Such request must be in writing and must be made prior to the expiration date established in the guarantee. In preparing this guarantee, the Employer might consider adding the following text to the form, at the end of the penultimate paragraph: “The Guarantor agrees to a one-time extension of this guarantee for a period not to exceed [six months][one year], in response to the Beneficiary’s written request for such extension, such request to be presented to the Guarantor before the expiry of the guarantee.”* [↑](#footnote-ref-6)