Section 9 - Contract Forms

This section contains forms which, once completed, will form part of the Contract. The forms for Performance Security and Advance Payment Security, when required, shall only be completed by the successful Bidder after contract award.

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Notification of Award

---- on letterhead paper of the employer ----

Letter of Acceptance

. . . . . date. . . . . .

To: . . . . . *Name and address of the contractor* . . . . . .

Subject: . . . . . *Notification of Award Contract No.* . . . . . .

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 Bid Data Sheet* . . . . . for the Accepted Contract Amount of the equivalent of . . . . . *.amount in words and figures and 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 the Performance Security Form included in Section 9 (Contract Forms) of the Bidding Document.

[Choose one of the following statements:]

We accept that *[insert the name of adjudicator proposed by the bidder]* be appointed as the Adjudicator.

[or]

We do not accept that *[insert the name of the adjudicator proposed by the bidder]* be appointed as the Adjudicator, and by sending a copy of this Letter of Acceptance to *[insert name of the appointing authority]*, the Appointing Authority, we are hereby requesting such Authority to appoint the Adjudicator in accordance with GCC 29.1.

Authorized Signature: .....

Name and Title of Signatory: .....

Name of Agency: .....

Attachment: Contract Agreement

Contract Agreement

THIS AGREEMENT made the . . . . . .day of . . . . . ., ..., between . . . . . *name of the employer*. . . . . (hereinafter "the Employer"), of the one part, and . . . . . *name of the contractor*. . . . .(hereinafter "the Contractor"), of the other part:

WHEREAS the Employer desires that the Works known as . . . . . *name of the contract*. . . . .should be executed by the Contractor, and has accepted a Bid by the Contractor for the execution and completion of these Works and the remedying of any defects 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.

   (a) the Contract Agreement,

   (b) the Letter of Acceptance,

   (c) the Letters of Technical Bid and Price Bid,

   (d) the Particular Conditions of Contract,

   (e) the List of Eligible Countries that was specified in Section 5 of the bidding document,

   (f) the General Conditions of Contract,

   (g) the Specifications,

   (h) the Drawings,

   (i) the Bill of Quantities, and

   (j) any other documents shall be added here.[1]

3. In consideration of the payments to be made by the Employer to the Contractor as indicated 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.

4. 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 . . . . . *name of the borrowing country*. . . . .on the day, month and year indicated above.

[1] Tables of Adjustment Data may be added if the contract provides for price adjustment (see GCC 54.1).

Signed by .....
for and on behalf of the Employer

in the presence of:

Witness, Name, Signature, Address, Date

Signed by.....
for and on behalf the Contractor

in the presence of:

Witness, Name, Signature, Address, Date

Performance Security

Bank's name, and address of issuing branch or office[1]

Beneficiary: ..... *Name and address of the employer* .....

Date: .....

Performance Guarantee No.: .....

We have been informed that . . . . . *name of the contractor. . . . .* (hereinafter called "the Contractor") has entered into Contract No. . . . . *reference number of the contract. . . . .* dated . . . . . .with you, for the execution of . . . . . *name of contract and brief description of works. . . . .* (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 Contractor, we . . . . . *name of the bank. . . . .* hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of . . . . . *name of the currency and amount in words* [2]*. . . . . .* (. . . . . *amount in figures. . . . .*) such sum being payable in the types and proportions of currencies in which the Contract Price is payable, upon receipt by us of your first demand in writing accompanied by a written statement stating that the Contractor is in breach of its obligation(s) under the Contract, without your 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 . . . . . , ... [3], and any demand for payment under it must be received by us at this office on or before that date.

This guarantee is subject to the Uniform Rules for Demand Guarantees, ICC Publication No. 458, except that subparagraph (ii) of Sub-article 20(a) is hereby excluded. [4]

. . . . . .

Signature(s) and seal of bank (where appropriate)

If the institution issuing the performance security is located outside the country of the employer, it shall have a correspondent financial institution located in the country of the employer to make it enforceable.

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1 All italicized text is for guidance on how to prepare this demand guarantee and shall be deleted from the final document.

2 The guarantor shall insert an amount representing the percentage of the contract price specified in the contract and denominated either in the currency(ies) of the contract or a freely convertible currency acceptable to the employer. If the bank issuing the performance security is located outside the country of the employer, it shall have a correspondent financial institution located in the country of the employer.

3 Insert the date 28 days after the expected completion date. 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 [6 months][1 year], in response to the Employer's written request for such extension, such request to be presented to the Guarantor before the expiry of the guarantee."

4 Or the same or similar to this clause specified in the Uniform Rules for Demand Guarantees, ICC Publication No. 758 where applicable.

Advance Payment Security

Bank's name, and address of issuing branch or office[1]

Beneficiary: .....*Name and address of the employer* .....
Date: .....
Advance Payment Guarantee No.: .....

We have been informed that . . . . . *name of the contractor.* . . . . . (hereinafter called "the Contractor") has entered into Contract No. . . . . *reference number of the contract.* . . . . . dated . . . . . .with you, for the execution of . . . . . *name of contract and brief description of works.* . . . . . (hereinafter called "the Contract").

Furthermore, we understand that, according to the Conditions of the Contract, an advance payment in the sum . . . . . *name of the currency and amount in words* [2]. . . . . (. . . . . *amount in figures.* . . . . .) is to be made against an advance payment guarantee.

At the request of the Contractor, we . . . . . *name of the bank.* . . . . . hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of . . . . . *name of the currency and amount in words*[3]. . . . . (. . . . . *amount in figures.* . . . . .) upon receipt by us of your first demand in writing accompanied by a written statement stating that the Contractor is in breach of its obligation under the Contract because the Contractor used the advance payment for purposes other than the costs of mobilization in respect of the Works.

It is a condition for any claim and payment under this guarantee to be made that the advance payment referred to above must have been received by the Contractor on its account number . . . . . *contractor's account number.* . . . . . at . . . . . *name and address of the bank.* . . . . . .

The maximum amount of this guarantee shall be progressively reduced by the amount of the advance payment repaid by the Contractor as indicated 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 eighty percent (80%) of the Contract Price has been certified for payment, or on the . . . day of . . . . . , ... [4], whichever is earlier. Consequently, any demand for payment under this guarantee must be received by us at this office on or before that date.

This guarantee is subject to the Uniform Rules for Demand Guarantees, ICC Publication No. 458 (*or ICC Publication No. 758 as applicable*).

. . . . . .

Signature(s) and seal of bank (where appropriate)

-- Note to Bidder --

If the institution issuing the advance payment security is located outside the country of the employer, it shall have a correspondent financial institution located in the country of the employer to make it enforceable.

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1 All italicized text is for guidance on how to prepare this demand guarantee and shall be deleted from the final document.

2 The guarantor shall insert an amount representing the amount of the advance payment 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.

3 Footnote 2.

4 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 [6 months][1 year], in response to the Employer's written request for such extension, such request to be presented to the Guarantor before the expiry of the guarantee."

INDEMNITY BOND
FOR SECURED ADVANCE
AGAINST MATERIALS BROUGHT AT SITE

(ON PAK RUPESS 500 JUDICIAL STAMP PAPER)

This Deed of Indemnity is issued by M/s. _____ _____ (Name of the Contractor) in favor of Local Government & Community Development Department, Government of Punjab (hereinafter referred to as the Employer).

Whereas the Employer has paid the Secured Advance against the cost of Materials through any Bank or like agency by any other method by virtue of the terms of the Contract existing between the Parties. The details of the Materials and their price for which Secured Advance is sought for the period _____till consumption of the Materials is as under:

1. _____ at Rs._____ per _____ = Rs.

2. _____ at Rs._____ per _____ = Rs.

THEREFORE, THIS DEED OF INDEMNITY WITHNESSETH AS FOLLOWS:

I/We _____ of M/s _____ do hereby indemnify the Employer for all losses due to thefts, arson, pilferage, loss due to flood and inundation, shortage, deterioration and depreciation etc. through any act of Man or God or slump in the Market of any or all the Materials financed or paid by the Employer on our request for financing payment against Materials.

I/We_____ shall indemnify the Employer against any or all claims and damages arising out of or resulting to the said Materials.

I/We _____ further declare that we will faithfully abide by the above declaration and solemnly affirm that we will not remove, sell, pilferage any of the Materials against which the Employer has paid us such a Secured Advance and will not pledge the same with any Bank, Finance Corporation, Firm, Company, Individual or the like agency or create any change whereon in any from what so ever, except incorporating in the Permanent Works under the Contract.

I/We_____ do hereby also declare that in the event of my/our infringement of the declaration made above the Employer will be entitled to forfeit all such Materials and also proceed against me/us according to the relevant clause pertaining to breach of Contract and further invoke the power or seek any remedies secured of any kind under the Contract signed with us or otherwise available under the Law.

Place_____ Dated _____

Contractor _____ (Signature)
Name and CNIC/Passport (copy attached) number