

## **Open National Bidding**

### **Repainting of Runway Markings at SSR International Airport**

**Procurement Reference No: ONB/WK/TSD/VR/CL/22/006 (06 July) TC**

AIRPORTS OF MAURITIUS CO.LTD  
AML CORPORATE OFFICE  
SSR INTERNATIONAL AIRPORT  
PLAINE MAGNIEN  
TEL 603 6000

VAT 20175768  
BRN C07019799

E-MAIL: [tendercommittee@aml.aero](mailto:tendercommittee@aml.aero)

30 May 2022

Dear Sir;/Madam

Airports of Mauritius Co Ltd (AML) is inviting you to submit your bid for the works as described in this bidding document.

For future bidding exercises, you are requested to register with the PPO by referring to the manual and video available at <https://eproc.publicprocurement.govmu.org>.

We commit ourselves to maintain the highest standard of integrity and ethical principles during all stages of the procurement cycle.

**Presentation of the following documents is compulsory for access purposes:**

- (a) original National Identity Card**
- (b) COVID-19 fully Vaccinated Pass or**
- (c) a valid negative RT/PCR Test Certificate.**

We thank you for your kind consideration.

Yours faithfully



**For Chairman Tender Committee**

## **Section I: Instruction to Bidders**

### **1. Introduction**

Airports of Mauritius Co Ltd (AML) also referred as the Employer, invites eligible local contractors to submit their bid for the works detailed in this bidding document hereunder. Any resulting contract shall be subject to the Terms and Conditions stipulated in this document.

The project is: Repainting of Runway Markings at SSR International Airport.

- 1.1 Clarifications if any, should be addressed to the Chairman Tender Committee, SSR International Airport, Plaine Magnien, email address: [tendercommittee@aml.aero](mailto:tendercommittee@aml.aero)

AML will respond in writing to any request for clarification, provided that such request is received **at least 10 days** prior to the deadline for submission of bids. Bidders are requested to regularly visit the PPO Website to take cognizance of any Addendum/Clarifications issued.

- 1.2 Bidders are advised to carefully read the complete bidding document, including the Particular Conditions of Contract in Section IV, before preparing their bids. The standard forms in this document may be retyped for completion but the bidder shall be solely responsible for their accurate reproduction.

### **2. Validity of Bids**

The bid validity period shall be 90 days from the date of bid submission deadline.

### **3. Works Completion Period**

The Intended Completion Date for the Works shall be 90 days from Notice to Commence

### **4. Pre-bid meeting/Site Visit**

Bidders or their designated representatives are invited to attend a pre-bid meeting followed by a site visit on **Tuesday 14 June 2022 at 10h00**. The venue shall be AML Meeting Room, Ground Floor, AML Corporate Office, Plaine Magnien. The purpose of the pre-bid meeting will be to clarify issues and to answer questions on any matter that may be raised at that stage.

Bidders should confirm their participation for this meeting to the Secretary Tender Committee on 603-6000 or through email at [tendercommittee@aml.aero](mailto:tendercommittee@aml.aero)

## **5. Sealing and Marking of Bids**

Bids should be sealed in a single envelope, clearly marked with the Procurement Reference Number, addressed to the Chairman Tender Committee with the Bidder's name at the back of the envelope.

## **6. Submission of Bids**

Bids should be deposited in the Tender box located at the Ground Floor, AML Corporate Office, SSR International Airport, Plaine Magnien **on or before Wednesday 06 July 2022 at latest by 13h00**. Bids by Registered post or hand delivered should reach the above-mentioned address by the same date and time at latest. Late bids shall not be accepted and bids submitted by any electronic mode shall not be considered.

## **7. Bid Opening**

Bids will be opened by AML Tender Committee in the Meeting Room, Ground Floor, AML Corporate Office, SSR International Airport, Plaine Magnien at **13h30 on Wednesday 06 July 2022**. Bidders or their representatives may attend the Bid Opening if they choose to do so.

Bidders should confirm their participation to the Secretary Tender Committee on 603-6000 or through email at [tendercommittee@aml.aero](mailto:tendercommittee@aml.aero)

## **8. Evaluation of Bids**

AML shall have the right to request for clarification during evaluation. Bids that are substantially responsive to requirements, shall be compared on the basis of evaluated cost to determine the lowest evaluated bid.

## **9. Eligibility Criteria**

To be eligible to participate in this bidding exercise, Bidder should:

- (a) have the legal capacity to enter into a contract to execute the works;
- (b) be duly registered with the CIDB under the grade that would allow him to perform the value of works for which he is submitting his bid (**Note 1**).
- (c) not be insolvent, in receivership, bankrupt, subject to legal proceedings for any of these circumstances or in the process of being wound up;
- (d) not have had your business activities suspended;
- (e) not be under a declaration of ineligibility by the Government of Mauritius in accordance with applicable laws at the date of the deadline for bid submission or appearing on the ineligibility lists of African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank Group and World Bank Group;
- (f) not have a conflict of interest in relation to this procurement requirement; and
- (g) have a Business Registration Card.

### **Note 1**

Sub-contractors undertaking works are also subject to registration with CIDB as applicable to Contractors.

## **10. Qualification and Experience Criteria**

Bidders should have the following minimum qualifications and experience:

- (a) Valid registration certificate with the CIDB under the grade that will enable the contractor to perform the works quoted for, under the following class(es): Grade A – H - Civil Engineering Construction Works (Road Markings/Furniture).
- (b) Successfully completed as prime contractor of at least 1 project for painting of markings of a similar nature and complexity, in the last 5 years.
- (c) Site Agent with at least 5 years' experience in works of an equivalent nature and complexity.
- (d) Minimum amount of liquid assets and/or credit facilities net of any other contractual commitments amounting to Rs 1 million.
- (e) The essential equipment to be made available for the Contract by the successful Bidder shall be Paint Sprayer equipped with glass beads distribution system and/or any other equipment required to successfully complete the works as described in the BOQ.

## **11. Contents of Bid**

The Bid shall comprise the following:

- (a) duly filled Bid Submission Form;
- (b) duly filled Priced Bill of Quantities
- (c) duly filled Qualification Information Form and attachments required
- (d) The Bidder shall provide a Certificate duly certified by an Auditor, licensed by the Financial Reporting Council (FRC) or Accountant registered with Mauritius Institute of Professional Accountants (MIPA) to the effect that it is operating on a going concern basis and is not subject to any insolvency/ bankruptcy proceedings.
- (e) Valid Registration Certificate with the CIDB, as applicable
- (f) Documentary evidence of liquid assets and/or credit facilities (**Note 2**);
- (g) Any other documents deemed necessary as per the requirements of this bidding document

### **Note 2**

Bidders to demonstrate access to, or availability of, financial resources such as liquid assets, lines of credit, and other financial means, other than any contractual advance payments to meet the overall cash flow requirements for the contract and its current commitments.

Documentary evidence may comprise but not limited to Bank certificate, Certificate from Auditors, Certificate from a Professional Accountant registered with MIPA.

## **12. Joint Venture**

Bids submitted by a joint venture of two or more firms as partners shall comply with the following requirements:

- i. the Bid shall include all the information required as per the Qualification Information form for each joint venture partner;
- ii. the Bid shall be signed so as to be legally binding on all partners;
- iii. the Bid shall include a copy of the agreement entered into by the joint venture partners defining the division of assignments to each partner and establishing that all partners shall be jointly and severally liable for the execution of the Contract in accordance with the Contract terms; **alternatively**, a Letter of Intent to execute a joint venture agreement in the event of a successful bid shall be signed by all partners and submitted with the bid, together with a copy of the proposed agreement;
- iv. one of the partners shall be nominated as being in charge, authorized to incur liabilities, and receive instructions for and on behalf of any and all partners of the joint venture; and
- v. the execution of the entire Contract, including payment, shall be done exclusively with the partner in charge.

## **13. Prices and Currency of Payment**

Bidders should quote for the whole works. Prices for the execution of works shall be quoted and fixed in Mauritian Rupees. Items for which no rate or price is entered by bidders, shall not be paid for by AML when executed and shall be deemed covered by the other rates and prices in the Bill of Quantities.

Bids shall cover all costs of labour, materials, equipment, overheads, profits and all associated costs for performing the works, and shall include all duties.

The whole cost of performing the works shall be included in the BOQs, and the cost of any incidental works shall be deemed to be included in the prices quoted. Bidders are required to submit their prices **exclusive of VAT**.

## **14. Bid Securing Declaration**

Bidders are required to subscribe to a Bid Securing Declaration in the Bid Submission Form.

## **15. Margin of Preference**

Margin of Preference shall not apply.

## **16. Award of Contract**

The Bidder having submitted the lowest evaluated responsive bid and qualified to perform the works shall be selected for award of contract. Award of contract shall be by issue of a Letter of Acceptance in accordance with terms and conditions contained in Section IV: General Conditions of Contract and Particular Conditions of Contract.

## **17. Performance Security and Signing of Contract**

Within twenty-eight (28) days of the receipt of the Letter of Acceptance from AML, the successful Bidder shall furnish a Performance Security in the form of a Bank Guarantee. The Performance Security amount shall be 10% of the contract value including any Provisional & Contingencies sums, in accordance with the conditions of contract, using for that purpose the Performance Security Form included in Section V Contract Forms. AML reserves the right to check the authenticity of the Bank Guarantee.

The contract agreement shall be signed within 28 days after the successful bidder receives the letter of acceptance unless the parties agree otherwise.

Failure of the successful bidder to submit the above-mentioned Performance Security within the required time may constitute sufficient grounds for termination of the contract.

## **18. Notification of Award and Debriefing**

Prior to the expiration of the period of bid validity, AML shall, for contract amount above Rs 15 million, notify the selected bidder of the proposed award and accordingly notify unsuccessful bidders.

Unless there is any challenge and appeal, AML shall award the contract to the selected bidder, by the way of a Letter of Acceptance. Until a formal contract is signed, the Letter of Acceptance shall constitute a binding Contract.

AML shall after award of contract, exceeding Rs 1 million and up to Rs 15 million, promptly inform all unsuccessful bidders in writing of the name and address of the successful bidder as well as the contract amount.

Furthermore, AML shall attend to any requests for debriefing for contract exceeding Rs 1 million, made in writing within 30 days the unsuccessful bidders are informed of the award.

## **19. Advance Payment**

AML shall provide an Advance Payment on the Contract Price as stipulated in the General Conditions of Contract. The Advance Payment shall be guaranteed by an Advance Payment Security as per the format contained in Section V.

The Advance Payment shall be limited to 10% percent of the Contract Price, less any provisional and contingencies sums.

## **20. Integrity Clause**

AML commits itself to take all measures necessary to prevent corruption and ensures that none of its staff, personally or through his/her close relatives or through a third party, will in connection with the bid for, or the execution of a contract, demand, take a promise for or accept, for him/herself or third person, any material or immaterial benefit which he/she is not legally entitled to.

## **21. Rights of AML**

Airports of Mauritius Co Ltd reserves the right:

- (a) to accept or reject any bid;
- (b) to negotiate with the preferred bidder;
- (c) to cancel the bidding process and reject all bids at any time prior to contract award without incurring any liability to AML.

## **22. Challenge and Appeal**

Unsatisfied bidders shall follow procedures prescribed in Regulations 48, 49 and 50 of the Public Procurement Regulations 2008 to challenge procurement proceedings and award of procurement contracts or to file application for review at the Independent Review Panel.

- (a) The address, Tel. & Fax No. to file Challenges in respect of this procurement is:

Officer in Charge  
Airports of Mauritius Co Ltd  
AML Corporate Office  
SSR International Airport  
Plaine Magnien  
Tel: +230 6036000  
Fax No.: +2306035306

- (b) The address to file Application for Review is:

The Chairperson  
Independent Review Panel,  
5<sup>th</sup> Floor,  
Belmont House  
Intendence Street  
Port Louis  
Tel : +230 2602228  
Email : irp@govmu.org



## Section II: Bidding Forms

**Note: Bidders are required to fill all the forms in this section and submit as part of their bid. Non-submission of any form may lead to rejection of the bid**

### Bid Submission Form

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

Bid's Reference No.: \_\_\_\_\_

Procurement Reference No.:.....

To:

We, the undersigned, declare that:

- (a) We have examined and have no reservations to the Bidding Documents, including Addenda issued;
- (b) We offer to execute in conformity with the Bidding Documents the following Works:  
\_\_\_\_\_;
- (c) The total price of our Bid excluding VAT is: \_\_\_\_\_(MUR);
- (d) Our bid shall be valid for a period of \_\_\_\_\_ days from the date fixed for the bid submission deadline in accordance with the Bidding Documents or up to ....., whichever is later, and it shall remain binding upon us and may be accepted at any time before the expiration of that period;
- (e) We hereby confirm that we have read and understood the content of the Bid Securing Declaration attached hereto and subscribe fully to the terms and conditions contained therein, if required. We understand that non-compliance to the conditions mentioned may lead to disqualification.
- (f) If our bid is accepted, we commit to obtain a Performance Security in accordance with the Bidding Document;
- (g) We, including any subcontractors or suppliers for any part of the contract, do not have any conflict of interest in accordance with ITB 9;
- (h) We are not participating, as a bidder in more than one bid in this bidding process;
- (i) Our firm, its affiliates or subsidiaries, including any Subcontractors or Suppliers for any part of the contract, has not been declared ineligible under the laws of Mauritius;
- (j) We have taken steps to ensure that no person acting for us or on our behalf will engage in any type of fraud and corruption as per the principles described hereunder, during the bidding process and contract execution:
  - i. We shall not, directly or through any other person or firm, offer, promise or give to any of the Public Body's employees involved in the bidding process or the execution of the contract or to any third person any material or immaterial benefit which he/she is not

legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.

- ii. We shall not enter with other bidders into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelisation in the bidding process.
- iii. We shall not use falsified documents, erroneous data or deliberately not disclose requested facts to obtain a benefit in a procurement proceeding.

We understand that transgression of the above is a serious offence and appropriate actions will be taken against such bidders.

- (k) We understand that this bid, together with your written acceptance, shall constitute a binding contract between us, until a formal contract is prepared and executed;
- (l) We understand that you are not bound to accept the lowest evaluated bid or any other bid that you may receive; and
- (m) If awarded the contract, the person named below shall act as Contractor's Representative:

Name: .....

In the capacity of: .....

Signed: .....

Duly authorized to  
sign the Bid for and  
on behalf of: .....

Date: .....

Seal of Company .....

## **BID SECURING DECLARATION**

By subscribing to the undertaking in the Bid Submission Form:

I/We accept that I/we may be disqualified from bidding for any contract with any Public Body for the period of time that may be determined by the Procurement Policy Office under section 35 of the Public Procurement Act, if I am/we are in breach of any obligation under the Bid conditions, because I/we:

- (a) have modified or withdrawn my/our bid after the deadline for submission of bids during the period of bid validity specified by the bidder in the Bid Submission Form; or
- (b) have refused to accept a correction of an error appearing on the face of the bid; or
- (c) having been notified of the acceptance of our bid during the period of bid validity, (i) have failed or refused to execute the Contract, if required, or (ii) have failed or refused to furnish the Performance Security, in accordance with the Instructions to Quote.

I/We understand this Bid Securing Declaration shall cease to be valid (a) in case I/we am/are the successful bidder, upon our receipt of copies of the contract signed by you and the Performance Security issued to you by me/us; or (b) if I am/we are not the successful bidder, upon the earlier of (i) the receipt of your notification of the name of the successful bidder; or (ii) thirty days after the expiration of the validity of my/our bid.

In case of a Joint Venture, all the partners of the Joint Venture shall be jointly and severally liable.

# Qualification Information

## 1. Individual Bidders or Individual Members of Joint Ventures

1.1 Constitution or legal status of Bidder: *[attach copy]*

Place of registration: *[insert]*

Principal place of business: *[insert]*

1.2 Bidder shall provide *[insert number]* of works of a nature and amount similar to the Works performed as Contractor over the last 5 years.

Project/Contract name and country	Name of client and contact person	Type of work performed and year of completion	Value of contract (national currency )
(a)			
(b)			

1.3 Proposed subcontracts and firms involved. Refer to General Conditions of Contract Clause 7.

Sections of the Works	Value of subcontract	Subcontractor (name and address)	Experience in similar work
(a)			
(b)			

*[Bidders have to ascertain that sub-contractors executing works are duly registered with the CIDB in accordance with CIDB Act 2008].*

1.4 Name, address, and telephone, telex, and facsimile numbers of banks that may provide references if contacted by the Public Body.

## 2. Additional

2.1 Bidders should provide any additional information Requirements requested in the bidding document.

# **BILL OF QUANTITIES**

**Refer to: ANNEX 1 – BILL OF QUANTITIES**

## **Section III: Statement of Requirements**

### **A. SCOPE OF WORKS, SPECIFICATIONS AND PERFORMANCE REQUIREMENTS**

**Refer to ANNEX 2 and APPENDICES 1-4**

#### **List of Appendices**

1. Health & Safety Requirements for Construction Contractors
2. Procedures for Airside Works
3. Security Procedures for Works within the Security Restricted Area
4. Procedures for Application of Access Permit for the Security Restricted Area

## Section IV: General Conditions of Contract and Particular Conditions of Contract

Any resulting contract shall be placed by means of a Letter of Acceptance and shall be subject to the General Conditions of Contract (GCC), (Ref: W/GCC10/12-21), for the Procurement of Works (available on website [ppo.govmu.org](http://ppo.govmu.org)) except where modified by the Particular Conditions of Contract below.

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The clause numbers given in the first column correspond to the relevant clause number of the General Conditions of Contract.

### Particular Conditions of Contract

<b>A. General</b>	
<b>GCC 1.1 (r)</b>	The Employer is Airports of Mauritius Co Ltd (AML)
<b>GCC 1.1 (v)</b>	The Intended Completion Date for the whole of the works shall be 90 days from date that shall be specified in the Notice to Commence.
<b>GCC 1.1 (y)</b>	The Project Manager contact details shall be communicated after award of the contract.
<b>GCC 1.1 (aa)</b>	The site is located at SSR International Airport, Plaine Magnien.
<b>GCC 1.1 (dd)</b>	The Start Date shall be the date specified in the Notice to Commence.
<b>GCC 1.1 (hh)</b>	The work consists of the Repainting of Runway Markings at SSR International Airport.
<b>GCC 2.2</b>	N/A
<b>GCC 2.3(i)</b>	<p>The following documents also form part of the Contract:</p> <ul style="list-style-type: none"> <li>(a) Contract Agreement</li> <li>(b) Letter of Acceptance</li> <li>(c) Contractor's Bid</li> <li>(d) Particular Conditions of Contract</li> <li>(e) General Conditions of Contract</li> <li>(f) Specifications</li> <li>(g) Bill of Quantities</li> </ul> <p>All other correspondence related to this bidding exercise.</p>
<b>GCC 3.1</b>	<p>The language of the contract shall be in English</p> <p>The law that applies to this Contract is the law of Mauritius.</p>

<b>GCC 5.1</b>	The Project Manager may delegate any of his duties and responsibilities to Representative of AML, but shall be solely responsible for this project.
<b>GCC 8.1</b>	N/A
<b>GCC 13.1</b>	<p>Except for the cover mentioned in (d)(i) hereunder, the other insurance covers shall be in the joint names of the Contractor and the Employer and the minimum insurance amounts shall be as follows:</p> <ul style="list-style-type: none"> <li>(a) for the Works, Plant and Materials: MUR 2 million</li> <li>(b) for loss or damage to Equipment: MUR 1 million</li> <li>(c) for loss or damage to property (except the Works, Plant, Materials, and Equipment) in connection with Contract: MUR 3 million</li> <li>(d) for personal injury or death: <ul style="list-style-type: none"> <li>(i) of the Contractor's employees: MUR 3 million</li> <li>(ii) of other people: MUR 1million</li> </ul> </li> </ul> <p>The Contractor shall choose to take the insurance covers indicated above as separate covers or a combination of the Contractor's All Risks coupled with AML's liability and First Loss Burglary, after approval of AML.</p> <p>All insurance covers shall be of nil or the minimum possible deductibles at sole expense of the contractor.</p>
<b>GCC 20.1</b>	The Site Possession Date(s) shall be as specified in the kick-off meeting.
<b>GCC 23.1 &amp; GCC 23.2</b>	No Adjudicator shall be appointed for this Contract.
<b>GCC 24.</b>	<p>In case a dispute of any kind arises between AML and the Contractor in connection with, or arising out of, the contract or the execution of works or after completion of works and whether before or after repudiation or other termination of Contract, including any dispute as to any opinion, instruction, determination, certificate or valuation of the AML's Representative, the matter in dispute shall, in the first place, be referred in writing to AML's representative, with a copy to the other party.</p> <p>AML and the Contractor shall make every effort to resolve the dispute amicably by direct informal negotiation.</p> <p>If, after twenty-eight (28) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either AML or the Contractor may give notice to the other party of its intention to refer the matter to "the competent courts of Mauritius".</p>



<b>B. Time Control</b>	
<b>GCC 25.1</b>	The Contractor shall submit for approval a Program for the Works within 10 days from the date of issue of the Letter of Acceptance.
<b>GCC 25.3</b>	The Contractor shall submit to the Project Manager for approval. Program of works within 15 days from the date of issue of the Letter of Acceptance.
<b>C. Quality Control</b>	
<b>GCC 33.1</b>	The Defects Liability Period shall be 365 days as from the site handing over date.
<b>GCC 34.1</b>	<p>Should any defect arise during the contractual period or up to the end of the Defects Liability Period and subsequently, the Contractor fails to correct the Defect within the time specified in the Project Manager's notice, this shall constitute a breach of the Contractor's obligations under this contract.</p> <p>The Project Manager shall assess the cost of having the defect corrected and recover the money from outstanding payment or from the Performance Security.</p>
<b>GCC 39.7</b>	Interim Payment for Plant and Material on site <b>is not</b> applicable for this contract.
<b>D. Cost Control</b>	
<b>GCC 40.1</b>	N/A
<b>GCC 41.1 (l)</b>	<p>Exceptionally adverse climatic conditions, defined as any one of the following events:</p> <ul style="list-style-type: none"> <li>(i) minimum of 100 mm rainfall recorded in one day at the nearest approved Rain Station,</li> <li>(ii) Torrential rain declared by the Meteorological Department of Mauritius,</li> <li>(iii) Cyclone warning Class III or Class IV.</li> </ul>
<b>GCC 43.1</b>	The currency shall be Mauritian Rupees (MUR).
<b>GCC 44.1</b>	The Contract is not subject to price adjustment.
<b>GCC 45.1</b>	5% of the payment being effected shall be retained from interim payments.
<b>GCC 46.1</b>	The Liquidated Damages for the whole contract shall be MUR 5,000 per day or part thereof. The maximum amount of Liquidated Damages for the whole of the Works shall be 10% of the contract value.
<b>GCC 47.1</b>	N/A

<b>GCC 48.1</b>	The Advance Payment shall be 10% of contract value excluding any Provisional & Contingencies sums, upon submission of a Bank Guarantee as per Advance Payment Security form hereunder.
<b>GCC 49.1</b>	The Performance Security amount shall be 10% of the contract value including any Provisional & Contingencies sums, and shall be submitted as per Performance Security form hereunder.
<b>E. Finishing the Contract</b>	
<b>GCC 59.1</b>	The percentage to apply to the value of the work not completed, representing AML's additional cost for completing the Works is 5%.

## Section V- Contract forms

### Performance Security

.....*Bank/Insurance Company's Name and Address of Issuing Branch or Office*.....

**Beneficiary:** .....*Name and Address of Public Body*.....

**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 security is required.

At the request of the Contractor, we ..... *[name of Bank/Insurance Company]* .....hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of ..... *[amount in figures (amount in words)]* ..... 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 and returned to us not later than twenty- one days from the date of issuance of the Defects Liability Certificate, calculated based on a copy of such Certificate which shall be provided to us, or on the.....day of ....., ....., whichever occurs first. Consequently, any demand for payment under this guarantee must be received by us at this office on or before that date.

.....*Seal of bank/Insurance Guarantee and*

*Signature(s)*.....

# Advance Payment Security

*[Bank's/ Insurance Company's Name, and Address of Issuing Branch or Office]*

**Beneficiary:** ..... *[Name and Address of 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 figures]* <sup>1</sup> . . . . (*[amount in words]* . . . . ) is to be made against an advance payment guarantee.

At the request of the Contractor, we . . . . *[name of the Bank/Insurance Company]* . . . . hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of . . . . *[name of the currency and amount in figures]* \*. . . . (*[amount in words]* . . . . ) 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/Insurance Company]* . . . . .

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 (80) percent of the Contract Price has been certified for payment, or on the . . . day of . . . . . , . . . . .<sup>2</sup>, whichever is earlier. Consequently, any demand for payment under this guarantee must be received by us at this office on or before that date.

. . . . . *[Seal of Bank/Insurance Company and Signature(s)]* . . . . .

## **Note –**

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

1 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.

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 Employer’s written request for such extension, such request to be presented to the Guarantor before the expiry of the guarantee.”