



CENTRAL PUBLIC WORKS DEPARTMENT

OFFICE MEMORANDUM

No. DGW/CON /183

ISSUED BY AUTHORITY OF DIRECTOR GENERAL OF WORKS

NIRMAN BHAVAN, NEW DELHI

DATED 2 2.8.2003

Sub: Amendment to Form of Performance Security (Guarantee)

Bank Guarantee Bond

Ref: DGW/CON/174 dated 6.2.2003

Instructions for deposit of performance Guarantee as per the prescribed form at pages 1 to 4 of OM No. DGW/CON/174 dt. 6.02.03 were issued by this directorate. It is partially modified and replaced as per the prescribed proforma annexed herewith for strict compliance with immediate effect

Encl: Two pages of prescribed proforma

Sd/- 14.8.03

Superintending Engineer(C&M).

Issued from file No. CE/CSQ/SE(CM)/Contract/2003

.....

FORM OF PERFORMANCE SECURITY (GUARANTEE)

BANK GUARANTEE BOND

In consideration of the President of India (hereinafter called "The Government") having offered to accept the terms and conditions of the proposed agreement between.....and.....(hereinafter called "the said Contractor(s)") for the work.....(hereafter called "the said agreement") having agreed to production of a irrevocable

Bank Guarantee for Rs.....(Rupees.....only) as a security/guarantee from the contractor(s) for compliance of his obligations in accordance with the terms and conditions in the said agreement.

We.....(hereinafter referred to as “the Bank”) hereby

(Indicate the name of the Bank)

undertake to pay to the Government an amount not exceeding Rs.....(Rupees.....only) on demand by the Government.

2. We.....do hereby undertake to pay the amounts due

(indicate the name of the Bank)

and payable under this Guarantee without any demure, merely on a demand from the Government stating that the amount claimed is required to meet the recoveries due or likely to be due from the said contractor(s). Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the bank under this Guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs.....(Rupees.....only).

3. We, the said bank further undertake to pay to the Government any money so demanded notwithstanding any dispute or disputes raised by the contractor(s) in any suit or proceeding pending before any court or Tribunal relating thereto, our liability under this present being absolute and unequivocal.

The payment so made by us under this bond shall be a valid discharge of our liability for payment there under and the contractor(s) shall have no claim against us for making such payment.

4. We.....further agree that the guarantee herein

(indicate the name of the bank)

Contained shall remain in full force and effect during the period that would be taken for the performance of the said agreement and that it shall continue to be enforceable till all the dues of the Government under or by virtue of the said agreement have been fully paid and its claims satisfied or discharged or till Engineer-in-Charge on behalf of the government certified that the terms and conditions of the said agreement have been fully and properly carried out by the said contractor(s) and accordingly discharges this guarantee.

5. We.....further agree with the Government that

(indicate the name of the bank)

the Government shall have the fullest liberty without our consent and without effecting in any manner our obligations hereunder to vary any of the

terms and conditions of the said agreement or to extend time of performance by the said contractor(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by the Government against the said contractor(s) and to for bear or enforce any of the terms and conditions relating to the said agreement and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said contractor(s) or for any forbearance, act of omission on the part of the Government or any indulgence by the Government to the said contractor(s) or by any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.

6. This guarantee will not be discharged due to the change in the constitution of the Bank or the contractor(s).

7. We.....lastly undertake not to revoke this

(indicate the name of the bank)

guarantee except with the previous consent of the Government in writing.

8. This guarantee shall be valid upto.....unless extended on demand by Government. Notwithstanding anything mentioned above, our liability against this guarantee is restricted to Rs.....(Rupees.....only) and unless a claim in writing is lodged with us within six months of the date of expiry or the extended date of expiry of this guarantee all our liabilities under this guarantee shall stand discharged.

Dated the.....day of.....for.....(indicate the name of bank)

.....