

No.RW/NH-11024/2/90-DO I

Dated, the 20th July, 1993

To

The Secretary, Public Works Departments of all States/Union Territories; Director General (Works), Central Public Works Department; Director General, Border Roads Development Board

Subject: Tender Documents for Local Competitive Bidding for the execution of Road and Bridge work on National Highways and Centrally sponsored schemes - Mobilisation Advance to Contractors

I am directed to refer to this Ministry's letter of even no. dated 16th September, 1991 on the subject mentioned above and to say that the word "OR" may please be substituted in place of the word "and" after the sub-para (iii) of para 1 of the enclosure to the above mentioned letter.

2. The Bank Guarantee for mobilisation advance enclosed as annexure to the letter dated 16th September, 1991, mentioned above, has been modified and a copy of the same is enclosed herewith.

3. It may be ensured that the plant and equipment, considered necessary by the Engineer for the work and included in the list of essential equipment given in the annexure of the tender document, are brought to the site and continue to be used. The Engineer-in-charge of the work should ensure that no plant and equipment required for the work are taken away from the site by the contractor without his prior permission.

4. It is requested that the contents of this letter may be brought to the notice of all the field officers of the Public Works Department.

Enclosure to Ministry's letter No.RW/NH-11024/2/90 - DO I dated 20.7.93

### BANK GUARANTEE

To

The President of India/  
The Governor of the State of \_\_\_\_\_ acting  
through \_\_\_\_\_.

Subject: (Please state the name of the work)

In consideration of (the name of the Employer) acting through \_\_\_\_\_ (hereinafter referred to as "Employer") releasing advance payment amounting to Rs. \_\_\_\_\_ to \_\_\_\_\_ (hereinafter referred to as "Contractor") in terms of the provisions of the contract dated \_\_\_\_\_ entered into by and between the Employer and Contractor (hereinafter referred to as 'Contract') on submission by the Contractor, a Bank Guarantee for an amount of \_\_\_\_\_ (in words) for a period of \_\_\_\_\_ (please state period in months), we, the \_\_\_\_\_ (please state here the name and other particulars of Bank) (hereinafter referred to as 'Bank'), unconditionally and irrevocably guarantee, as primary obliger and not merely as surety, due payment to the Employer and undertake to pay immediately on demand without any demur, an amount not exceeding \_\_\_\_\_ (please state the amount of Bank Guarantee) (in words) \_\_\_\_\_ into the account of the Employer as may be indicated in the Demand letter.

2. We further agree that no change or addition to or other modification of the terms of the Agreement or of works to be performed thereunder or of any of the Agreement which may be made between the Employer and the Contractor, shall in any way release us from any liability under this guarantee and we hereby waive notice of any such change, addition or modification.

3. This guarantee shall remain valid and in full effect from the date of the advance loan payment to the Contractor under the Agreement until the Employer receives full repayment under the terms of the contract as well as under those present from the contractor.

4. Any demand made as such by the Employer to the Bank shall be conclusive evidence of Bank's liability hereunder and prior to making any such demand, the Employer shall not be required to take any steps, exercise any remedies against or give notice to the Contractor.

5. While this Guarantee continues, the Bank shall not exercise any rights to claim any sum from the Contractor's insolvency until full satisfaction of the Employer's claim to the extent of the Bank's liability hereunder.

6. The liability of the Bank under this Guarantee shall not be affected by any change in the constitution of the Contractor or of the Bank.

7. Notwithstanding anything contained hereinafter, our liability under this bond is restricted to Rs \* \_\_\_\_\_ (Rupees \_\_\_\_\_ only) and interest thereon at the rate of \*\* \_\_\_\_\_ for the period of delay in payment beyond 15 days from the date of receipt of demand by the Employer. It will remain in force till \*\*\* \_\_\_\_\_ unless an action to enforce a claim under this guarantee is filed, on or before \_\_\_\_\_, all the rights of the Employer under the said guarantee shall be forfeited and the Bank shall be relieved and discharged from all liability thereunder.

IN WITNESS Whereof, we, the Bank, through our authorised representative have executed and put our seal on this \_\_\_\_\_ day of \_\_\_\_\_ 199 .

Signature of  
Authorised-  
Representative(s)  
of the Bank.

Witness: 1.  
Address:

Witness: 2.  
Address:

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- \* Same amount as that of Bank Guarantee in para 1 above.
  - \*\* Rate as applicable to the working capital loans by the Central Government to be filled up.
  - \*\*\* One month later than period mentioned in para 1 above.