

# Section 9- Contract Forms

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# Letter of Acceptance

---- on letterhead of the purchaser ----

..... date. ....

To: ..... name and address of the supplier .....

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 figures and words 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.

Authorized Signature: .....

Name and Title of Signatory: .....

Name of Agency: .....

Attachment: Contract Agreement

## Contract Agreement

THIS AGREEMENT made on the *[insert number]* day of *[insert month]*, *[insert year]*, between *[insert complete name of Purchaser]* of *[insert complete address of purchaser]* (hereinafter "the Purchaser"), of the one part, and *[insert complete name of supplier]* of *[insert complete address of supplier]* (hereinafter "the Supplier"), of the other part:

WHEREAS the Purchaser invited Bids for certain Goods and Related Services, viz., *[insert brief description of the goods and related services]* and has accepted a Bid by the Supplier for the supply of those Goods and Related Services in the sum of *[insert currency or currencies and amount of contract price in words and figures]* (hereinafter "the Contract Price").

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In this Agreement, words and expressions shall have the same meanings as are respectively assigned to them in the Contract referred to.
2. The following documents shall be deemed to form and be read and construed as part of this Agreement, viz.:
  - (a) the Letter of Acceptance;
  - (b) the Price Bid Submission Sheet and the Price Schedules submitted by the Supplier;
  - (c) the Technical Bid Submission Sheet submitted by the Supplier;
  - (d) the Special 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 Schedule of Supply; and
  - (h) any other documents shall be added here.<sup>1</sup>

This Contract shall prevail over all other Contract documents. In the event of any discrepancy or inconsistency within the Contract documents, then the documents shall prevail in the order listed above.

3. In consideration of the payments to be made by the Purchaser to the Supplier as indicated in this Agreement, the Supplier hereby covenants with the Purchaser to provide the Goods and Related Services and to remedy defects therein in conformity in all respects with the provisions of the Contract.
4. The Purchaser hereby covenants to pay the Supplier in consideration of the provision of the Goods and Related Services 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 *[indicated name of country]* on the day, month and year indicated above.

Signed by *[insert authorized signature for the purchaser]* (for the Purchaser)

Signed by *[insert authorized signature for the supplier]* (for the Supplier)

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<sup>1</sup> Tables of Adjustment Data may be added if the contract provides for price adjustment (see GCC 15).

## Performance Security

*Bank's name, and address of issuing branch or office*<sup>1</sup>

**Beneficiary:** ..... *Name and address of purchaser* .....

**Date:** .....

**Performance Guarantee No.:** .....

We have been informed that ..... *name of the supplier*. .... (hereinafter called "the Supplier") has entered into Contract No. .... *reference number of the contract*. .... dated .....with you, for the execution of ..... *name of contract and brief description of goods and related services*. .... (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 Supplier, 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 figures*<sup>2</sup>. .... (*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 Supplier 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 .....<sup>3</sup>, 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.<sup>4</sup>

.....  
*Seal of bank and signature(s)*

### -- Note to Bidder --

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

- <sup>1</sup> All italicized text is for guidance on how to prepare this demand guarantee and shall be deleted from the final document.
- <sup>2</sup> 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 purchaser.
- <sup>3</sup> Insert the date 28 days after the expected completion date. The purchaser should note that in the event of an extension of the time for completion of the contract, the purchaser 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 purchaser 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 Purchaser's written request for such extension, such request to be presented to the Guarantor before the expiry of the guarantee."
- <sup>4</sup> 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<sup>1</sup>*

**Beneficiary:** ..... *Name and address of purchaser* .....

**Date:** .....

**Advance Payment Guarantee No.:** .....

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

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

At the request of the Supplier, 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 figures<sup>3</sup>*. . . . . (*amount in words*. . . . .) upon receipt by us of your first demand in writing accompanied by a written statement stating that the Supplier is in breach of its obligation under the Contract because the Supplier used the advance payment for purposes other than the costs of mobilization in respect of the Goods and Related Services.

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 Supplier on its account number . . . . . *Supplier'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 Supplier as indicated in copies of interim statements or payment certificates that 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 percent (90%) of the Contract Price has been certified for payment, or on the . . . day of . . . . ., . . . . .,<sup>4</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.

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

..... *Seal of bank and signature(s)* .....

- <sup>1</sup> All italicized text is for guidance on how to prepare this demand guarantee and shall be deleted from the final document.
- <sup>2</sup> 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 purchaser.
- <sup>3</sup> Footnote 2.
- <sup>4</sup> Insert the expected expiration date of the time for completion. The purchaser should note that in the event of an extension of the time for completion of the contract, the purchaser 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 purchaser 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 Purchaser's written request for such extension, such request to be presented to the Guarantor before the expiry of the guarantee."

**-- Note to Bidder --**

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