



***CEYLON PETROLEUM CORPORATION***

***SUPPLY OF 04 NOS. ACCESS SWITCHES***

***B/35/2018***

***BIDDING DOCUMENT***

***2018***

**CEYLON PETROLEUM CORPORATION**

**Bid for the Contract “Supply of 04 Nos. Access Switches”**

*B/35/2018*

**Invitation to Bid**

*Chairman, Procurement Committee, Ceylon Petroleum Corporation (CPC) at No. 609, Dr. Danister De Silva Mawatha, Colombo 09, Sri Lanka, will receive sealed Bids from Internationally reputed Manufactures or their Local Agents/Sole Distributors in Sri Lanka authorized interested bidders for the contract “Supply of 04 Nos. Access Switches”.*

**Failure to furnish documents requested in this document may result in the Bid being rejected.**

**PROCUREMENT NOTICE**

**CEYLON PETROLEUM CORPORATION**

**BID FOR THE CONTRACT “ SUPPLY OF 04 NOS. ACCESS SWITCHES ”**

**B/ 35/2018**

*The Ceylon Petroleum Corporation (CPC) will receive sealed Bids from Internationally reputed Manufactures or their Local Agents/Sole Distributors in Sri Lanka authorized interested bidders for the supply of 04 Nos. Access Switches.*

*Bidding documents can be obtained between **0900 hrs. and 1500 hrs. up to 28.06.2018** from the office of Manager (Procurement & Stores), Ceylon Petroleum Corporation, 01<sup>st</sup> Floor, No, 609, Dr. Danister De Silva Mawatha, Colombo 09, on a written request and payment of a non-refundable fee of Rs 500.00 (i.e. Rs. 426.25 + 2% NBT + 15% VAT ) per set.*

*The Bid will be **closed at 1400 hrs. on 29.06.2018** and opened at the Office of Manager (Procurement & Stores), Ceylon Petroleum Corporation, at the above address, immediately after closing time of the Bid. Bidders or their authorized representatives may present at the opening of the bid.*

*Bids may be sent by post under registered cover or deposited in the Tender Box kept in the Office of Manager (Procurement & Stores), Ceylon Petroleum Corporation, 01<sup>st</sup> Floor, No, 609, Dr. Danister De Silva Mawatha, Colombo 09.*

*Bidding documents may be inspected upto 1500 hrs **28.06.2018** at the Office of Manager (Procurement & Stores), Ceylon Petroleum Corporation, 01<sup>st</sup> Floor, No, 609, Dr. Danister De Silva Mawatha, Colombo 09.*

*Clarifications (if any) shall be sought from Manager (Procurement & Stores) over Tele Nos. 5455330/ 5666225 or Fax No. 5455424.*

*Chairman,  
C/o Manager (Procurement & Stores),  
Ceylon Petroleum Corporation,  
Procurement & Stores Function,  
1<sup>st</sup> Floor,  
No. 609, Dr. Danister De Silva Mawatha,  
Colombo 09.*

## **CONTENTS**

	<b>Page</b>
1. INSTRUCTIONS TO BIDDERS .....	1-6
2. CONDITIONS OF CONTRACT .....	7-8
3. PARTICULAR CONDITIONS OF CONTRACT .....	9
4. TECHNICAL SPECIFICATION .....	10-11
5. BILL OF QUANTITIES .....	12
<b>ANNEXURES</b> .....	<b>13-18</b>
6. FORM OF BID.....	13-14
7. FORMAT OF BID SECURITY GURANTEE.....	15-16
8. FORMAT OF PERFORMANCE GURANTEE.....	17
9. FORM OF ADVANCE PAYMENT SECURITY.....	18

# INSTRUCTIONS TO BIDDERS

## 1.1 Introduction

Ceylon Petroleum Corporation (CPC) is calling Bids from **Internationally reputed Manufactures or their Local Agents/Sole Distributors in Sri Lanka authorized interested bidders** for the contract “Supply of 04 Nos. Access Switches.

## 1.2 Content of the Bidding Documents

Bidding Document will consist of the followings ;

- 1.2.1 Instructions to Bidders (ITB)
- 1.2.2 Conditions of Contract (COC)
- 1.2.3 Particular Conditions of Contract
- 1.2.4 Bill of Quantities
- 1.2.5 Form of Bid
- 1.2.6 Format of Bid Security Guarantee
- 1.2.7 Format of Performance Guarantee
- 1.2.8 Format of Advance Payment Guarantee

## 1.3. Eligibility Requirement

- I. The manufacture should be ISO 9001:2008 certified (For most innovative standards in management of all key business processes) or ISO certification for Computer Networks. **(Manufacture’s ISO certification should be attached with proposal)**
- II. The bidder should have proven experience for supply of switchers in offered brand. (Proof documents should be attached with proposal) **If bidder not submit proof document CPC treat offer as non-responsive.**
- III. The bidder or its subsidiaries or affiliated companies should not be blacklisted by any government institution during the past 10 years. **Bidder should attached letter mention this criteria.**
- IV. The bidder shall have been in the business as of the nature of the goods and services of this contract for at least 05 years from the date of the registration. **Documentary evidence shall be produced to this.**
- V. The Bidder should be an Authorized Service Provider of the Original Equipment Manufacturer for quoted of Network Switchers. **Bidder should submit manufacturer authorization letter with this. If manufacture authorization letter not attached with bidder offer, CPC treat as a non-responsive offer**

## 1.4 Documents to accompany the Bid

All Bidders shall furnish adequate information in respect of the items offered.

Failure to furnish the following documents and details, with the bid may result in the Bid being rejected. All documents shall be furnished in English language.

- 1.4.1 Past performance – Bidders should forward past supply records for the last Three (03) years.
- 1.4.2 Manufacturers certified authorization to quote
- 1.4.3 Business Registration Certificate of the Company.
- 1.4.4 Brand Name and the Country of Manufacturer of the items offered.
- 1.4.5 Certificate from the manufacturer to certify that the items offered are of currently in manufacture.
- 1.4.6 Every Bidder should specify the conditions and period of warranty.
- 1.4.7 Detailed Technical Specifications and literature of the item offered.
- 1.4.8 Schedule of Prices duly completed and signed.
- 1.4.9 Form of Bid (**Annex A**) duly completed and signed.

## 1.5 Sealing and marking of Bids

Bids shall be submitted in duplicates. The original and the duplicate of the Bid shall be placed in separate envelopes marked 'ORIGINAL' and 'DUPLICATE' and shall be marked "**BID FOR THE SUPPLY OF 04 NOS. ACCESS SWITCHES**" on the top left hand corner and the statement, "DO NOT OPEN BEFORE **1400 hrs on 29.06.2018** (to be completed with the time and date specified in the Bidding Document).

Manager (Procurement & Stores),  
Procurement & Stores Function,  
1<sup>st</sup> Floor, No. 609,  
Dr. Danister De Silva Mawatha,  
Colombo 09.  
Sri Lanka.

If the envelope is not sealed and marked as stated above, CPC will not take the responsibility for the Bids being misplaced or premature opening. In the event of any discrepancy between the Original and the Duplicate, the Original shall govern.

## 1.6 Period of validity of Bids

All bids shall be valid for a **minimum period of Seventy Seven (77) days** from the closing date of the Bid. **A Bid valid for a shorter period will be rejected as non-responsive.**

## **1.7 Signing of Bids**

The Original and the Duplicate of the Bid shall be typed, or written in indelible ink, and shall be signed by the Bidder. **All pages of the Bid except for un-amended printed literature shall be initialed by the person(s) signing the Bid.**

Any inter lineation, erasures or over-writing shall be valid only if they are initialed by the person(s) signing the Bid.

## **1.8 Clarification of Bidding Document**

A prospective Bidder requiring any clarification of the Bidding Document should notify CPC in writing by hand or post or facsimile at the CPC's mailing address indicated in the Bidding Document clause 1.5. Similarly if a Bidder feels that any important provision is unacceptable, such objection should be raised at this stage. CPC will respond in writing to any request for clarification or modification of the Bidding Document that is received not later than Seven (07) days prior to the deadline of submission of Bids prescribed by the CPC.

## **1.9 Deadline for submission of Bids**

CPC must receive Bids at the address specified in **ITB Clause 1.5**, not later than 1400 hrs. on **29.06.2018**.

## **1.10 Late Bids**

Any Bid received by CPC after the deadline for submission of Bids, will be rejected and returned unopened to the Bidder.

## **1.11 Withdrawal of Bids**

A Bidder wishing to withdraw his Bid shall notify the CPC in writing prior to the deadline prescribed for the submission of Bids. A withdrawal notice may also be sent by Facsimile, but must be followed by the original, by post or by hand not later than the deadline for submission of Bids. The notice of withdrawal shall be sent to the Manager (Procurement & Stores), which the address is given in Clause No. 1.5.

## **1.12 Closing of Bids**

Bids shall be closed at **1400 hrs on 29.06.2018** and hence bids shall be reached to the address given in clause no. 1.5 before the time and date specified in clause no. 1.9.

### **1.13 Opening of Bids by CPC**

Bids will be opened immediately after the closing date and time fixed for receipt of Bids. The address where bids are opened is given in clause 1.5.

### **1.14 Agent's Authority :**

An Accredited Agent of the manufacture signing the Bidding Document on behalf of the Principal shall state the Principal's name and address, telephone number and fax number, (if any) and a letter of Authority empowering the agent.

Nomination of an Agent after the Bid has been submitted will not be valid.

### **1.15 Bid Security Guarantee**

Each Bid shall be accompanied by a Bid Security Guarantee, (if requested) undertaking that the bid will be held valid for the specified period, and that the bid will not be withdrawn during that period. Such security shall be in the form of a Bank Draft or a Bank Guarantee issued / confirmed by a recognized Bank in Sri Lanka, and payable to the CPC on demand in a sum of **Rs. 40,000.00**

The Bid Security Guarantee should be valid for hundred and Seven (107) days (**i.e. up to 14.10.2018** ) from the date of closing of Bid. A form of Bid Security Guarantee is attached in Annex "B".

Failure to submit the Bid Security Guarantee at the time, or before the closing of Bid, and in accordance with above said requirements, and in the format provided, will result in the Bid being rejected. Bid Security Guarantee from unsuccessful Bidders will be returned to them after the award is made to the successful Bidder. The Bid Security of the successful Bidder will be returned only after receipt of the **Performance Security Guarantee**.

### **1.16 Schedule of Prices**

Bidders are required to duly sign and return the "Schedule of Prices" as indicated in the bidding document.

### **1.17 Preliminary Examination of Bids**

CPC will examine the Bids to determine whether they are complete, any computational errors have been made, whether the documents have been properly signed, and the Bids are generally in order. If not, CPC may at its discretion call clarifications from the Bidder. The request for clarification and the response shall be in writing within one week's form the clarifications and no change in the price or substance of the Bid shall be sought, offered or permitted.



## **1.18. Correction of Errors**

Bids determined to be substantially responsive will be checked by the CPC for any arithmetic error. Errors will be corrected by the CPC in the following manner;

- 1.18.1 Where the discrepancy is between the amount in figure and the amount in words, will prevail.
- 1.18.2 Where the discrepancy is between unit rate and the line total, resulting from multiplying the unit rate by the quantity, the unit rate as quoted will govern, unless in the opinion of the CPC there is an obvious gross misplacement of the decimal point in the rate, in which case the line item total as quoted will govern, and the unit rate will be corrected.
- 1.18.3 The amount stated in the form of Bid adjusted in accordance with the above procedure with the concurrence of the Bid shall be considered as binding upon the Bid. If the Bids does not accept the corrected amount of Bid, his Bid shall be rejected without affecting the Bid security.
- 1.18.4 Where the adjusted price is lower than the Bided price; the adjusted figure will be Bid price. If the adjusted price is higher than the Bided price, the Bided figure will be the bid price. The rates will be adjusted with the concurrence of the Bid to reach the Bided figure. If the Bid does not agree for such adjustments, his Bid shall be rejected without affecting the Bid security.

## **1.19 Evaluation of Bids:**

CPC will carry out a detailed evaluation of Bids, to determine whether the Technical aspects are properly addressed, and the Bids are substantially responsive.

## **1.20 CPC's right to accept or reject any or all Bids**

The CPC will not be bound to make the award to the Bidder submitting the lowest offer.

The CPC reserves the right to reject any or all Bids or any part thereof, without assigning any reasons. The CPC may accept any or all items of an bid, and reserves the right to increase or decrease the number of units to be contracted for, at prices indicated in the Schedule of Prices.

## **1.21 Notice of Acceptance**

The notice of acceptance of Bid will be sent by facsimile, followed by post to the successful Bidder, to the address given by him in the Bidding Document, soon after the decision of the CPC.

## 1.22 Award Criteria

- 1.22.1 Subject to ITB Clause 1.19, the CPC will award the contract to the successful Bidder, whose Bid has been determined to be substantially responsive, lowest evaluated Bid, provided that the Bidder is determined to be qualified to perform the contract satisfactorily.
- 1.22.2 The successful Bidder will be called upon to supply or part there off conforming to Technical Specifications, and strictly by the agreed date of completion.
- 1.22.3 If The Successful bidder is called upon to enter in to and Agreement with CPC, the bidder should be ready to sign an agreement with CPC.

## 2. CONDITIONS OF CONTRACT (COC)

### 2.1 Performance Security:

If it is applicable, the successful Bidder will be notified by CPC to furnish a Performance Guarantee. This guarantee shall be submitted on his owned cost and within fourteen (14) days of such notification through / confirmed by a reputed Commercial Bank in operation in Sri Lanka, for a sum equivalent to 10% of the total Bid value of the accepted Bid. The Performance Security shall be complied to the format given in Annex C. The period of validity of this performance security shall be the expected period of delivery of goods/equipment plus one month. (i.e. period of the contract plus one month)

If the successful Bidder fails to furnish the Performance Security aforesaid, his name will be placed in the list of defaulting Contractors. CPC shall therefore, be entitled in its absolute discretion to make suitable arrangements required for the performance of such Bid, as the case may be, at the risk and expense of the successful Bidder.

The successful Bidder, in the event of his failure to furnish the Performance Security as required, shall be liable for any losses, costs expenses and damages, which the CPC may sustain in consequence of such failure, and the Bid security shall be forfeited.

### 2.2 Warranty Conditions

The successful Bidder should give a Comprehensive Warranty from the Manufacturer for a period of three (03) years from the date of delivery.

### 2.3 Mode of Payment

Payment shall be made within 30 days after delivery and acceptance by CPC.

### 2.4 Delivery Period

Switches should be delivered to CPC within two (02) months from the date of Order Confirmation.

### 2.5 Defaults by Successful Bidder

If the successful Bidder, defaults in the supply or otherwise commit a breach of any of the provisions in the Contract with CPC, he shall be liable to pay to CPC, all losses, damages and expenses incurred by CPC, in consequence of such default or breach. Bidders should declare that they had read the Bid conditions, and that they make the offer in compliance with, and subject to all

the conditions thereof, and agree to perform the services in accordance with the said conditions in the manner therein set out, and in terms of this offer. A Form of Bid, as Annex- 'A' is attached.

## **2.6 Liquidated Damages**

Liquidated Damages amounts to Rs. 1,000/- will be levied per each day delayed beyond the period of delivery specified in the contract.

## **2.7 Force Majeure:**

Except as regards an act of God, War, Strike, Invasion, Civil war, Rebellion Revolution, Insurrection, Earthquake or Plagues, the Bidder shall undertake all risks and liabilities of whatsoever kind arising out of incidentals connected with the sale.

## **2.8 Arbitration.**

If during the continuance of this Contract or at any time after the termination thereof, any disputes or differences of opinion touching the interpretation of this contract were to arise between the parties hereto or their respective representatives, such differences or disputes shall be referred for Arbitration.

Arbitration shall be conducted under the rules of ICLP (Institute of the Development of Commercial Law & Practice), Arbitration Centre and in accordance with the arbitration Act No. 11 of 1995 of Sri Lanka. The place of Arbitration shall be Colombo, Sri Lanka.

### 3. PARTICULAR CONDITIONS OF CONTRACT

- 3.1 Relevant staking, power or any other required cables should provide with quoted price.
- 3.2 Should provide 3 year on site comprehensive warranty. (This switchers may use Head Office – Colombo 9, Oil Refinery Sapugaskanda, Sapugaskanda Terminals, BIA Katunayake, etc...)
- 3.3 Service & Maintenance should be on time.
- 3.4 Supplier should provide required license, software or any other materials for smooth operation of quoted products.
- 3.5 After delivering of quoted products, vender should handover all Licenses, CDs, DVDs operational manuals, warranty certificates, documents and other stationery and similar accessories made available by equipment manufacture.
- 3.6 Multimode fiber used for switch communication.

#### 4. TECHNICAL SPECIFICATION

##### Technical Specification for Access Switch - 48 Port Gigabit Ethernet / 2 Fiber / Stackable

	<b>Minimum Specification</b>	<b>Bidder's Response</b>	<b>Reference Details</b>
1	Make		
2	Model		
3	Country of Origin		
4	Warranty - 3Years		
5	Total Switching Capacity at least 100 Gbps		
6	Total Switch Forwarding Capacity at Least 70 Mpps or higher.(Full Duplex)		
7	Should consist of at least 4 no of 1GigE Fiber Interfaces and 2 Fiber Interfaces should be fully populated with a relevant SFP connectors.		
8	Should be Industrial Standard 19" Rack Mountable with all relevant accessories for rack mounting.		
9	Should consist of 48 no of 10/100/1000Mbps RJ-45 Ports		
10	Should support at least 10 no of PoE+ ports (without separate power supply)		
11	Hardware should be IPV6 Capable		
12	Should support at least 8,000 Layer 2 MAC addresses.		
13	Should support Jumbo Frames (9,000 bytes)		
14	Should support at least 1,000 no of VLAN		
15	Trunking		
	1. Maximum 8 No of ports per trunk		
	2. At least 20 No trunk ports should have		
16	Should Support Following Protocol		
	1. VRRP		
	2. Metro-Ring Protocol (MRP) or Equalant Protocol		
17	Security Features		
	1. 802.1X Accounting		
	2. MAC Authentication		
	3. DHCP snooping		
	4. Dynamic ARP inspection		
	5. Packet Filtering		
18	Hardware Should be 802.3az-2010 compatible (Energy Efficient Ethernet)		
19	Should consist of at least 2 stacking ports supporting		

	stacking bandwidth of at least 4Gbps and should be complete with necessary stacking cables.		
20	Should Operate on an AC Input Voltage of 220~240V and with an input frequency of 50Hz.		
21	Should support industrial standard Netflow or Sflow for network traffic analysis		
22	Should be capable to be integrated with the Foundry/Brocade Iron view Network Management platform or else the bidder should provide an alternate network management platforms completed with the dedicated rack mountable server platform including the operating system without any cost to CPC (please describe your solution)		
23	Should consist of a redundant power supply unit.		
24	Should support IEEE 802.1x- Authentication for Network Admission Control.		
25	Specify power consumption on full load		

## 5. BILLS OF QUANTITY

	Item	Qty.	Unit Price	Total
1.	48 Port Access Switch	04		
	Taxes (If Applicable)			
	Taxes (If Applicable)			
	<b>Total</b>			

**Total Amount in Words:**

.....  
 .....  
 .....  
 .....

**VAT Registration No.**.....

**Name of Bidder:**

.....  
 .....  
 .....

**Address:**

.....  
 .....  
 .....  
 .....

**Tel. & Fax No:** .....

.....  
**Signature and Seal of the Bidder**



Form of Bid

**To:** The Chairman  
Procurement Committee,  
Ceylon Petroleum Corporation,  
1<sup>st</sup> Floor,  
No. 609, Dr. Danister De Silva Mawatha,  
Colombo 09.  
SRI LANKA.

**From:** .....

.....

.....

Sir,

A-1 Having familiarized ourselves with the formal request for Instruction to Bidders and Conditions of contract, Technical Specification for **Supply of 04 Nos. Access Switches**", we offer to complete the whole of said services in conformity with the said document.

A-2 Unless and until a formal agreement is prepared and executed this Bid together with your written acceptance thereof shall constitute a binding contract with us.

A-3 We understand you are not bound to accept the lowest or any Bid you may receive.

A-4 The Bid we are offering is complete and fulfils the requirements discussed in the Technical specifications of the Bidding Document.

A-5 We agree to abide by this Bid for the period of **Seventy Seven (77) days** from the date of opening of the same Bid. Conditions and prices quoted shall remain binding upon us and may be accepted at any time before the expiration of the period.

A-6 We agree to be bound by the Bid, Bid Conditions, Technical specifications and Performance security.

A-7 We affirm that the said items will be delivered ..... after we receive notice of acceptance of our Bid from the CPC.

A-8 We offer the lump sum fixed price of (foreign cost in figures) .....inwords)..... and Sri Lanka Rupees (local cost in figures) ..... (in words)..... for Supply of ..... as detailed out in this Bidding Document and details of the lump sum price is as given in the schedule of prices. We agree that it is open to the Procurement Committee to reject this offer or to accept.

Dated this ..... day of .....2018.

Signature.....in the capacity of .....  
.....duly authorized to sign Bids for and on behalf of :

Name .....

Address .....  
.....  
.....

Witnesses:

1. Signature .....  
Name : .....  
Address : .....  
.....  
.....

2. Signature : .....  
Name : .....  
Address : .....  
.....  
.....

**Format for Bid Security Guarantee**

[This Bank Guarantee form shall be filled in accordance with the instructions indicated in brackets]

.....[insert issuing agency's name and address of issuing branch or office].....

**Beneficiary :** ..... [ insert (by PE) name and address of Employer/ Purchaser]

**Date :** ..... [ insert (by issuing agency) date]

**BID GUARANTEE NO. :** .....[insert (by issuing agency) number]

We have been informed that .....[insert (by issuing agency) name of the Bidder; if a joint venture, list complete legal names of partners] (hereinafter called " the Bidder") has submitted to you its bid dated .....[insert (by issuing agency) date] (hereinafter called "the Bid") for execution/ supply [select appropriately) of [insert name of Contract] under Invitation for Bids No. .... [insert IFB number] ("the IFB")

Furthermore, we understand that, according to your conditions, Bids must be supported by a Bid Guarantee.

At the request of the Bidder, we .....[insert name of issuing agency] hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of .....[insert amount in figures] .....[insert amount in words] upon receipt by us of your first demand in writing accompanied by a written statement stating that the Bidder is in breach of its obligation(s) under the bid conditions, because the Bidder.

- (a) has withdrawn its Bid during the period of bid validity specified; or
- (b) does not accept the correction of errors in accordance with the Instructions to Bidders (hereinafter "the ITB") of the IFB; or
- (c) having been notified of the acceptance of its Bid by the Employer/ Purchaser during the period of bid validity, (i) fails or refuses to execute the Contract Form, if required, or (ii) fails or refuses to furnish the Performance Guarantee, in accordance with the ITB.

This Guarantee shall expire: (a) if the Bidder is the successful bidder, upon our receipt of copies of the Contract signed by the Bidder and of the Performance Guarantee issued to you by the Bidder; or (b) if the Bidder is not the successful bidder, upon the earlier of (i) our receipt of a copy of your notification to the Bidder

that the Bidder was unsuccessful, otherwise it will remain in force up to  
.....[insert date]

Consequently, any demand for payment under this Guarantee must be received by  
us at the office on or before that date .....

[signature(s) of authorized representative(s)]

**FORMAT FOR PERFORMANCE GUARANTEE**

.....[issuing Agency's Name and Address of issuing Branch or Office].....

**Beneficiary** : .....[Name and Address of Employer] .....

**Date** : .....

**PERFORMANCE GUARANTEE NO** : .....

We have been informed that .....[name of Contractor/ Supplier] (hereinafter called "the Contractor") has entered into Contract No. ....[reference number of the contract] dated .....with you, for the ..... [insert " construction"/ "Supply"] 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 Agency] 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, no later than the .....day of ....., 2018 [insert date, 28 days beyond the scheduled contract completion date] and any demand for payment under it must be received by us at this office on or before that date.

.....  
[ Signature(s)]

**FORM OF ADVANCE PAYMENT SECURITY**

.....[Name and address of Agency, 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 Contractor] (hereinafter called "the Contractor") has entered into Contract No.....(reference number of the contract] dated.....with you, for the .....Construction of .....[name of contract and brief description] (hereinafter Called "the Contract).

Furthermore, we understand that, according to the conditions of the Contract, an advance payment in the sum.....[amount in figure] (.....)[amount in words] is to be made against an advance payment guarantee.

At the request of the Contractor, we.....[name of issuing agency] Hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of.....[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 in repayment of the advance payment under the Contract.

The maximum amount of this guarantee shall be progressively reduced by the amount of the advance payment repaid by the Contractor.

This guarantee shall expire on.....[Insert the date, 28 days beyond the expected expiration date of the Contract]

Consequently, any demand for payment under this guarantee must be received by us at this office on or before that date.

-----  
[Signature(s)]