

**FORM- B**

**FORM OF PERFORMANCE SECURITY (GUARANTEE) BY BANK**

1. This deed of Guarantee made this day of \_\_\_\_\_ between Bank of \_\_\_\_\_ (hereinafter called the "Bank") of the one part, and Chairperson, Bansberia Municipality of the other part.

2. Whereas Authority has awarded the work of \_\_\_\_\_ (hereinafter called the Contract) to \_\_\_\_\_ (Name of the Consultant)

3. AND WHEREAS the Consultant is bound by the said Contract to submit to Authority a Performance Security for a total amount of. (2% of the contract amount).

4. Now we the Undersigned \_\_\_\_\_ (Name of the Bank) being fully authorized to sign and to incur obligations for and on behalf of and in the name of \_\_\_\_\_ (Full name of Bank), hereby declare that the said Bank will guarantee HLL the full amount of 5% of the contract amount) as stated above.

1. After the Consultant has signed the aforementioned Contract with Authority, the Bank is obliged to pay Authority, any amount up to and inclusive of the aforementioned full amount upon written order from Authority to indemnify Authority for any liability of damage resulting from any defects or shortcomings of the Consultant or the debts he may have incurred to any parties involved in the Works under the Contract mentioned above, whether these defects or shortcomings or debts are actual or estimated or expected. The Bank will deliver the money required by Authority immediately on demand without delay without reference to the Consultant and without the necessity of a previous notice or of judicial or administrative procedures and without it being necessary to prove to the Bank the liability or damages resulting from any defects or shortcomings or debts of the Consultant. The Bank shall pay to Authority any money so demanded notwithstanding any dispute/disputes raised by the Consultant in any suit or proceedings pending before any Court, Tribunal or Arbitrator/s relating thereto and the liability under this guarantee shall be absolute and unequivocal.

6. This Guarantee is valid till ..... (The initial period for which this Guarantee will be valid must be for at least 6 months).

7. At any time during the period in which this Guarantee is still valid, if Authority agrees to grant a time extension to the Consultant or if the Consultant fails to complete the Works within the time of completion as stated in the Contract, or fails to discharge himself of the liability or damages or debts as stated under Para 5, above, it is understood that the Bank will extend this Guarantee under the same conditions for the required time on demand by Authority and at the cost of the Consultant.

8. The Guarantee hereinbefore contained shall not be affected by any change in the Constitution of the Bank or of the Contractor.

9. The neglect or forbearance of Authority in enforcement of payment of any moneys, the payment whereof is intended to be hereby secured or the giving of time by Authority for the payment hereof shall in no way relieve the bank of their liability under this deed.

10. The expressions "Authority", "the Bank" and "the Consultant" hereinbefore used shall include their respective successors and assigns.

In witness whereof I/We of the Bank have signed and sealed this guarantee on the - day of --  
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----- (Month 2017 being herewith duly authorized).

For and on behalf of

The.....Bank.

Signature of Authorized Bank official

Name.....

Designation.....

Stamp/Seal of the Bank: .....