

**CONSTRUCTION GUARANTEE FUND****INDEMNITY**  
(for *Bid Bonds only*)**ISSUE OF A BID BOND/GUARANTEE/SECURITY****DATE:** \_\_\_\_\_**Project Name** : \_\_\_\_\_**Project/Contract/Bid No** : \_\_\_\_\_**Client/Employer Name** : \_\_\_\_\_

Further to our application for the issue of a Bond/Guarantee/Security for the above mentioned project, we confirm and agree to comply with the following conditions.

- 1) We have clearly read and understood the philosophy & methodology of the Bond/Guarantee issued by the CGF to the client/Employer on behalf of our company together with explanatory notes and this indemnity is an undertaking and a binding to comply CGF conditions / rules & regulations when providing Bond/Guarantee/Security to the above mentioned project.
- 2) We agree to fulfill all obligations laid down in the Conditions of Contract, Specifications & Drawings and the clauses in the General agreement and the Rules & Regulations laid down by the Client/Employer.
- 3) Notify the CGF of any changes /amendments /improvements with regards to;
  - a) Business Registration, status and the Directors of the Company (Support with certified copies of the returns from the Registrar of Companies/or from Authorized Officer/ Company Secretary as the case may be)
  - b) Memorandum of Articles of the organization and the Share Capital, updated information of the organization.
  - c) To inform the CGF any changes to CIDA Record book and the membership of any recognized organization in the construction industry, contact documents, scope of work, payments, obligations of the Client/Employer or Contractor, violation of terms & conditions by the Client/Employer or contractor or disputes/discrepancy/ constraints related to the project
  - d) To submit the tender results, awards, Bonds/Guarantee/Securities taken from CGF or any other source
- 4) We hereby exempt you from any liability or obligation to issue a Performance Bond or/and a Mobilization Advance Guarantee if we are selected but found comparatively lower than the other bid prices submitted by other Contractors unrealistic as per the technical evaluation made by CGF or/and due to poor performance of projects in hand. We further agree to pay immediately to the CGF the full value of the Bid Bond if it is called upon, for whatever reason.
- 5) We agree to submit Tender Results of this project, and any other information related to this Bond.
- 6) We agree that if the Client/Employer makes a demand on the CGF for payment on the Bond/Guarantee/Security or for any other reason affect CGF financially, then the amount and any other charges deemed to be necessary and requested/demanded by the CGF shall be paid by us. Failing to make this payment within 07 days of your being notified of the request/ Demand, the CGF shall treat the issue as a dispute and would refer to a sole Arbitrator appointed by the CGF and proceedings will conduct in accordance with the Arbitration Act No 11 of 1995 or take legal action, to recover such dues with commercial interest prevailing at the date of when the refund was due (compound interest) until payment is made.
- 7) We agree that the levies, and any other reimbursements paid to the CGF in respect of this Project will not be refunded to us.
- 8) We agree to return the original Bond/Guarantee/Security at the expiration of same and understand that this Bond/Guarantee/Security becomes automatically null and void and that the liability of CGF is extinguished completely whether the original of the guarantee is returned or not.
- 9) We agree that we have a valid CIDA registration and when necessary will revalidate to cover the contract defects liability period. Failing which we indemnify the CGF of all claims, damages and/or liabilities.
- 10) We undertake to accept contract/s within our capacity. However, if we are successful in the Bid and if it is in excess of our capacity and due to this barrier/cause if requested by the CGF we undertake to pay the value of the Bid Bond/Guarantee/Security in full and any other charges deemed to be.

SIGNED BY THE AUTHORIZED PERSON OF THE COMPANY

COMPANY :  
SIGNATURE :  
NAME :  
DESIGNATION :  
NIC No :  
  
SEAL

ATTESTED &amp; SIGNED IN MY PRESENCE

ATTORNEY- AT- LAW SIGNATURE :  
NAME :  
BASL NO : SC ENROLMENT NO:  
MOBILE : LAND :  
EMAIL :  
ADDRESS :  
  
SEAL

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