

## **Section - 2**

### **STANDARD FORMS [CONTRACT]**

- *Letter of Acceptance*
- *Agreement*
- *Performance Security*
- *Advance Payment Security*
- *Retention Money Guarantee*

Note:

It is the responsibility of the bidders to comply with all the requirements given in the bidding document. Failure to non compliance with any of them may be a reason for rejection of the bid.

***Notes on Standard Forms:***

- Bidders shall submit the completed Form of Bid Security/Bid Securing Declaration as appropriate in compliance with the requirements of bidding documents.
- Bidders should not complete the Form of Agreement at the time of preparation of bids.
- The successful bidder will be required to sign the Form of Agreement, after the award of contract.
- Any corrections or modifications to the accepted bid resulting from arithmetic corrections, acceptable deviations, or quantity variations in accordance with the requirements of the bidding documents should be incorporated into the Agreement.
- The Form of Performance Security, Form of Advance Payment Security and Form of Retention Money Guarantee should not be completed by the bidders at the time of submission of bids.
- The successful bidder will be required to provide these securities in compliance with the requirements herein or as acceptable to the Employer.

# **FORM OF LETTER OF ACCEPTANCE**

*[Letter heading paper of the procuring entity]*

-----[date]

To:-----

*[name and address of the Contractor]*

This is to notify you that your bid dated -----[insert date] for the construction and remedying defects of the ----- [ name of the Contract and identification number] for the Contract price of -----[ name of currency] ----- [amount in figures and words] as corrected in accordance with Instructions to Bidders and / or Bidders by a Memorandum of Understanding, is hereby accepted.

he adjudicator shall be -----[name and address of the Adjudicator, if agreed] shall be appointed by the Institute for Construction training and Development (ICTAD).

You are hereby instructed to proceed with the execution of the said Works in accordance with the Contract documents.

The Start Date shall be: ----- (fill the date as per Conditions of Contract).

The amount of performance Security is: ----- (fill as per Conditions of Contract).

The performance Security shall be submitted on or before ----- (fill the date as per Conditions of Contract).

Authorizes Signature :-----

Name and title of Signatory :-----

Name of Agency :-----

**STANDARD FORM: AGREEMENT**

This AGREEMENT, made the ----- [day] day of -----[month] 20 -----  
[year] between the one part, and ----- [name and address of Employer]  
(hereinafter called "the Employer") of the one part, and -----  
-----[ name and address of Contractor] (hereinafter called "the Contractor") of the other part.

WHEREAS the Employer desires that the Contractor execute-----  
[name and identification number of Contract] (hereinafter called "the Works") and the Employer  
has accepted the bid by the Contractor for the execution and completion of such Works and the  
remedying of any defects therein.

NOW THIS AGREEMENT WITNESSETH as follows:

1. In this Agreement, words and expression shall have the same meanings as are  
respectively assigned to them in the Conditions of Contract hereinafter referred to and  
they shall be deemed to form and be read and construed as part to this Agreement.
2. In consideration of the payments to be made by the Employer to the Contractor as  
hereinafter mentioned, the Contractor hereby covenants with the Employer to execute  
and complete the Works and remedy any defects therein in conformity in all respects  
with the provisions of the Contract.
3. The Employer hereby covenants to pay the Contractor in consideration of the execution  
and completion of the Works and the remedying of defects wherein 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 thereto have caused this Agreement to be executed the day and  
year aforementioned, in accordance with laws of Sir Lanka.

.....  
**Authorized signature of Contractor**

.....  
**Authorized signature of Employer**

**COMMON SEAL**

**COMMON SEAL**

In the presence of:

Witnesses:

1. Name and NIC No. ....  
Signature. ....  
Address. ....
2. Name and NIC No. ....  
Signature. ....  
Address. ....

**ORIGINAL**

## FORM OF ADVANCE PAYMENT SECURITY

-----[ Name and address of  
Agency, and Address of Issuing Branch or Office]

**Beneficiary: Municipal Commissioner, Colombo Municipal Council, Town Hall, Colombo 7**

**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 -----  
----- (Name of contract) ( hereinafter called "the Contract").

Furthermore, we understand that, according to the conditions of the Contract, an advance  
payment in the sum-----[ amount in figures] (-----  
-----) [ 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  
Intended Completion Date]

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

\_\_\_\_\_  
[signature(s)]

**ORIGINAL**

**FORM OF PERFORMANCE SECURITY**  
**(Unconditional)**

-----[Issuing  
Agency's Name, and Address of Issuing Branch or Office]

**Beneficiary: Municipal Commissioner, Colombo Municipal Council, Town Hall, Colombo 7**

**Date:**-----

**PERFORMANCE 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 -----  
----- (name of contract) (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],  
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 -----, 20-----[insert date, 28  
days beyond the Intended 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 RETENTION MONEY GUARANTEE

----- [Issuing Agency's  
Name and Address of Issuing Branch or Office]

**Beneficiary:** Municipal Commissioner, Colombo Municipal Council, Town Hall, Colombo 7.

**Date:** -----

**RETENTION MONEY GUARANTEE No:** -----

We have been informed that ----- [name of Contractor]  
(hereinafter called "the Contractor") has entered into Contract No. -----  
(reference number of contract) dated ----- with you, for the execution of -----  
----- (name of contract) (hereinafter called "the Contract").

Furthermore, we understand that, according to the conditions of the Contract, when the works have being taken over and the first half of the Retention Money has been certified for payment, payment of the second half of the Retention Money may be made against a Retention Money guarantee.

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]  
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 under the Contract because the Contractor has  
not attended to the defects in accordance with the Contract.

This guarantee shall expire, at the latest, ----- [insert 28 Days after the end of  
the Defects Liability Period] Consequently, any demand for payment under this guarantee must  
be received by us at this office on or before that date.

[signature(s)]

**ORIGINAL**

**CONDITIONS OF CONTRACT :** Conditions of Contract that will be applicable for this Contract is that given in Section – 03 of the Standard Bidding Document – Procurement of Works (ICTAD/SBD/01-2<sup>nd</sup> Edition , January 2007) & Addendum 01 issued in January 2009 & addendum 02 issued in February 2011 to the ICTAD Publication published by the Institute for Construction Training and Development (ICTAD / CIDA – Construction Industry Development Authority , “Savsiripaya”, 123 , Wijerama Mawatha , Colombo 07.

Section 3, Volume 1 of this publication will not be issued with the Bidding Document and the Bidder is advised to purchase it from ICTAD. (Now CIDA – Construction Industry Development Authority)