

Format for Performance Guarantee

ON APPROPRIATE STAMP DUTY

FINANCIAL BANK GUARANTEE

[As bid security in lieu of DD/Earnest Money]

To,

The Executive Director (Admin & IT),
Insurance Regulatory and Development Authority,
3rd Floor, Parishrama Bhavan,
BasheerBagh, Hyderabad – 500004

Whereas, Insurance Regulatory and Development Authority, a Authority incorporated under Companies Act, 1956 having its office at 3rd Floor, Parishrama Bhavan, BasheerBagh, Hyderabad – 500004.; hereinafter called “Authority” which impression includes its successors, assignees and transferees, has floated an RFP dated XXXXXXXX for inviting proposals from the competent and eligible vendors/parties for development and implementation of industry wide health fraud analytics solution

AND

Whereas M/s _____ a body corporate constituted under XXXXXXXXXXXXXXXX having its registered office at

_____ which impressions includes its successors, assignees or transferees, hereinafter called “Vendor” or “Implementation Agency”, has responded to RFP by submitting a formal proposal as per the requirement duly detailed in the RFP.

AND WHEREAS one of the material conditions, in the RFP was to provide performance guaranty which is Rs. XXXXXXXXXXXXx (10% of the total project cost) in the form of Demand Draft or Financial Guarantee of any scheduled Bank, along with the proposal responding to the RFP.

AND

Whereas the said Vendor has applied & requested us

_____ constituted under
(Name of the Bank) having registered office at

_____ hereinafter called “Guarantor” or “Guarantor

Bank”, to provide bid security by way of Financial Bank Guarantee or Bid Guarantee to the Authority in compliance with the terms of the RFP or Tender.

We, the Guarantor Bank, at the request of the “Vendor” and in consideration of the Vendor’ s proposal to the Authority, do hereby irrevocably and unconditionally declare, agree and execute this guarantee whereby the we shall be bound, obliged and liable to pay the amount and we further undertake and agree to make the payment of the said amount forthwith on the written demand from the Authority, without (i) assigning or insisting for any proof, evidence or document in support of the demand, (ii) requiring the Authority to provide any further documents (iii) raising any dispute whatsoever, (iv) going into the question of validity, propriety or legality of the said demand; or (v) requiring the Authority to invoke any legal remedy that may be available to it, provided any one of the following conditions do occur:-

1. The Vendor has withdrawn its bid during its validity period as duly specified in the Tender/RFP
2. The Vendor fails or refuses to execute formal contract/s after its proposal is accepted by the Authority and such acceptance is duly conveyed to it.
3. The Vendor fails or refuses to provide Performance Guarantee or Security in terms of the Tender/RFP after its proposal is duly accepted. Notwithstanding anything contained hereinabove:-
 - a. Our financial liability or obligation under the Guarantee shall not exceed 10% of the total commercial quotation.

- b. The Bank Guarantee shall be valid up to <<date>> (which is two years from the date of expiry of the contract)
- c. We shall be liable to pay the sum assured or any part of it under the Guarantee only and only if the Authority invokes this guarantee and written claim or demand for the guaranteed amount is served upon us on or before <<date>>
4. The material or essential condition of the guarantee is that we shall pay the amount assured under this guarantee unconditionally just on written demand from the Authority on happening of any of the aforesaid conditions.
5. This Guarantee shall not be prejudiced or affected by changes in the constitution of the Guarantor howsoever arising and the Guarantor and its successors shall continue to be liable in terms hereof.
6. This Guarantee is irrevocable and the same shall not be revoked except with the prior written consent of the Authority. This Guarantee will remain in force during the tenure of the Agreement.
7. This Guarantee is without prejudice to and in addition to any other security or securities held or which may be held by the Authority.
8. The giving or granting of time or any extension thereof to the Guarantor or the Vendor or the neglect, commission or forbearance on the part of the Authority in requiring or enforcing payment of any moneys due hereunder or any other variations, modifications or amendments to the RFP or any other writing between the parties shall not in any way prejudice limit, restrict or affect this Guarantee and as between the Guarantor and the Authority. The Guarantor shall be considered the principal debtor and not merely as surety for all the sums hereby guaranteed to be paid and which may become payable by the Guarantor to the Authority under these presents.
9. In case any part of this Guarantee is held, declared or rendered illegal, invalid or inoperative for any reason whatsoever, such holding or declaration shall not in any way affect or prejudice the validity and enforceability of any other part which shall be separable there from.
10. The benefit of this Guarantee shall ensure to the Authority's successors and assigns and shall be irrevocable until discharge by the Guarantor of their obligation as herein provided.
11. The Authority shall be entitled to proceed against the Guarantor without making the Vendor a party to such proceedings.
12. The Guarantor doth hereby specifically waive their rights conferred under Sections 133, 134, 135 and 141 of the Indian Contract Act, 1872.
- Date: _____ (Authorised Signatory)
- Place: _____ [For and on behalf of the Guarantor Bank]