

SECTION IX: Bank Guarantee for Advance Payments

[this is the format for the Advance Payment Security to be issued by a bank]

Contract No:

Date:

To:

[Name and address of Client]

ADVANCE PAYMENT GUARANTEE No:

We have been informed that *[name of Consultant]* (hereinafter called "the Consultant") has undertaken, pursuant to Contract No *[reference number of Contract]* dated *[date of Contract]* (hereinafter called "the Contract") for the supply of *[description of consulting services]* under the Contract.

Furthermore, we understand that advance Payment(s) on Contracts must be supported by a bank guarantee.

At the request of the Consultant, we *[name of bank]* hereby irrevocably undertake to pay you, without cavil or argument, any sum or sums not exceeding in total an amount of Kshs *[insert amount in figures and in words]* upon receipt by us of your first written demand accompanied by a written statement that the Consultant is in breach of its obligation(s) under the Contract conditions, without you needing to prove or show grounds or reasons for your demand of the sum specified therein.

We further agree that no change, addition or other modification of the terms of the Contract to be performed, or of any of the Contract documents which may be made between the Client and the Consultant, shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition or modification.

This guarantee is valid until *[date of validity of guarantee]*, consequently, we must receive at the above-mentioned office any demand for payment under this guarantee on or before that date.

Signature

Signature