

**Request For Proposal**

**Security Instruments Formats**

**Annex XI**

# Proposal / Bid Security Form

Know all persons by these presents, that we, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [insert name of Surety] a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [specify type of entity] organized under the laws of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ [insert relevant jurisdiction] and duly licensed or authorized to transact business in \_\_\_\_\_\_\_\_\_\_\_\_\_\_ [insert relevant jurisdiction] as surety (hereinafter referred to as the “Surety”) are held and firmly bound unto the United Nations Entity for Gender Equality and the Empowerment of Women, an international intergovernmental organization, established by its Member States pursuant to the General Assembly resolution 64/289, and having its Headquarters in New York, New York 10017, U.S.A., as obligee (hereinafter referred to as the “UN Women”), in the amount of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [insert relevant amount both alphabetically and numerically, together with the applicable currency] (hereinafter referred to as the “Bond Value”), for the payment whereof which sum, well and truly to be made, the Surety bind itself, its successors, permitted assigns, executors and administrators, jointly and severally, firmly by these presents.

Whereas, in response to a [insert form of solicitation, e.g. RFP, ITB] by UN Women for the provision of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [specify purpose of the requirement] (“Tender”), and pursuant to the solicitation documents issued by the UN Women in connection with the Tender (“Solicitation Documents”), \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [insert name of Bidder] a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [specify type of entity] organized under the laws of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ [insert relevant jurisdiction], as principal (hereinafter referred to as, the “Principal” or “Bidder”) has submitted a written [insert form of submission, e.g. proposal, bid] to UN Women, dated the \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_ [insert applicable date information], (hereinafter referred to as the “Bid”).

Now, therefore, for valuable consideration, the receipt and sufficiency whereof is hereby acknowledged by the Surety, the Surety irrevocably undertakes the following:

1. (a) The condition of this Bid Bond is such that if the Principal:

(i) withdraws its Bid, without the consent of UN Women, during the period of Bid validity specified in Article 1 (b), below (“Bid Bond Validity Period”); or

(ii) having been notified of the acceptance of its Bid by UN Women during the Bid Bond Validity Period, (a) unreasonably fails, delays or refuses, when required, in accordance with the terms specified in the Solicitation Documents, to execute the contract, or (b) fails, delays or refuses to furnish the Performance Security or Labor and Materials Bond or any other bond in accordance with the terms specified in the Solicitation Documents;

then the Surety undertakes to immediately pay to UN Women the Bond Value, upon first written demand by UN Women, provided that in its demand UN Women states that the demand arises from the occurrence of any of the above events, specifying which event(s) has occurred. The parties acknowledge and agree that the Surety’s obligations under this Article 1 shall be enforceable without the need to have recourse to any judicial or arbitral proceedings and the Surety's obligation to pay UN Women shall be fulfilled by the Surety without any objection, opposition or recourse. The Surety and the Principal acknowledge and agree that the terms and conditions of the Bid Bond shall remain unchanged for the duration of the Bid Bond Validity Period.

(b) The Surety hereby agrees that its obligation under the Bid Bond shall remain in full force and effect until such time as UN Women notifies the Principal in writing that all of its obligations in relation to the Tender, as specified in the Solicitation Documents, have been fulfilled. Without prejudice to the foregoing, or limiting the generality of the foregoing, the Bid Bond shall remain in full force and effect for at least [30 days] following the expiration of the Bid Bond Validity Period specified in the Solicitation Documents (or any extensions thereof) or, otherwise, until such time that UN Women has notified the Principal that the Bid Bond is no longer required UN Women has confirmed this fact in writing to the Surety upon request therefor. The Principal and the Surety acknowledge and agree that UN Women may, at its sole discretion, extend the Bid Bond Validity Period prior to its expiration, notice of which extension(s) to the Surety being hereby waived.

2. The parties acknowledge and agree that neither this Bid Bond nor any obligations hereunder are transferable or assignable. No right of action shall accrue on this Bid Bond to or for the use of any person or corporation other than UN Women.

3. Nothing in or relating to this Bid Bond shall be deemed a waiver, express or implied, of any of the privileges or immunities of the United Nations, including its subsidiary organs.

4. All notices required or contemplated under this Bid Bond shall be in writing and shall be delivered either by: (i) personal delivery; (ii) recognized overnight delivery service; and (iii) first-class, certified mail, return-receipt requested, and postage prepaid.

In Witness Whereof, the authorized representatives of the parties have indicated their agreement to be firmly bound by these presents by having signed below on the date first written above:

|  |
| --- |
| **For the Surety:** |
| by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  [signature on line] [insert name] |
| in the capacity of:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  [insert title] |
| in the presence of: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  [signature on line] [insert witness name] |

**Annex XII**

# Forms of Performance Security[[1]](#footnote-2)

**[Form of First Demand Guarantee]**

[Bank Stationery]

[Date]

[United Nations Entity for Gender Equality and the Empowerment of Women]

[220 East 42nd Street]

[New York, NY 10017]

[U.S.A.]

 “Beneficiary”

[Name of Contractor]

[Address of Contractor]

“Principal”

 Reference: Our Guarantee No. ……………….For …………………………………...

Dear Sirs and Madams:

1. At the request of [name of the Contractor], we, as Guarantor, hereby undertake to pay to you, the Beneficiary, or your accredited representative on first written demand the sum of [currency][amount in words and figures] or such lesser sum of money as you may by such written demand require to be paid accompanied by your written statement that the Principal identified above is in breach of its obligations under the contract identified in paragraph 2, without the need to specify the respect in which the Principal is in breach. Such statement shall be conclusive evidence of your entitlement to payment in the amount demanded, up to the amount of this Guarantee. The amount of this guarantee is [currency][amount in words and figures].

2. The Beneficiary and the Principal have entered into a contract [insert contract number], dated [date], for the provision of services by the Principal to [describe services] (the “Contract”).

3. This Guarantee shall remain valid until [[insert date that is between 60 and 180 days after the end of the Initial Term of the Contract] or [insert date that is between 60 and 180 days after the end of the Extended Term of the Contract, if any]][[2]](#footnote-3). It is understood that written demand for payment under this Guarantee must be received by the Issuer not later than the expiration of this Guarantee.

4. Subject to paragraph 5, below, this Guarantee is governed by the Uniform Rules for Demand Guarantees, ICC Publication No. 758. The supporting statement under Article 15(a) thereof is excluded.

5. Nothing herein or related hereto: (i) shall be deemed a waiver or any agreement to waive any of the privileges and immunities of the United Nations, including its subsidiary organs, or (ii) shall be interpreted or applied in a manner inconsistent with such privileges and immunities.

Yours faithfully,

For and on behalf of [name of issuer bank]

 {Bank’s Official Seal}

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name:

Title:

**[Form of Standby Letter of Credit]**

DATE: [\_\_\_\_\_\_\_]

BENEFICIARY:

UNITED NATIONS ENTITY FOR GENDER EQUALITY AND THE EMPOWERMENT OF WOMEN,

NEW YORK, NY

**IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: [\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_]**

**1. AT THE REQUEST AND FOR THE ACCOUNT OF [NAME OF CONTRACTOR][[3]](#footnote-4) (“APPLICANT”), WE HEREBY ISSUE OUR IRReVOCABLE documentary credit in your favor in the AGGREGATE amount of [CURRENCY][NUMBER IN WORDS AND FIGURES][[4]](#footnote-5), effective immediately, WHICH shall be available by sight draft or drafts presented at our office at [ADDRESS IN NEW YORK], new york, new york, WHEN ACCOMPANIED BY YOUR SIGNED AND DATED STATEMENT WORDED SUBSTANTIALLY AS FOLLOWS:**

**“THE UNDERSIGNED REPRESENTATIVE OF THE UNITED NATIONSENTITY FOR GENDER EQUALITY AND THE EMPOWERMENT OF WOMEN (“Beneficiary”) represents that the beneficiary is entitled to draw upon the referenced letter of credit in the AGGREGATE amount of [CURRENCY][NUMBER IN WORDS AND FIGURES].”**

1. **we hereby engage to honor your drafts when presented in accordance with the terms of this credit.**
2. **partial drawings are permitted. This letter of credit may be drawn down in multiple drafts.**
3. **THIS LETTER OF CREDIT IS GOVERNED BY THE INTERNATIONAL STANDBY PRACTICES (isp98), ICC DOCUMENT NO. 590.**
4. **THIS LETTER OF CREDIT expires with our close of business on [INSERT DATE THAT IS BETWEEN 60 AND 180 DAYS AFTER THE END OF THE INITIAL TERM OF THE CONTRACT][[5]](#footnote-6). [[[6]](#footnote-7)It is a condition of this letter of credit that it shall be automatically extended, without amendment except as to the extended expiration date, for successive [TWELVE MONTH] periods (and a final extension period that may be less than twelve months)** **up to and including [INSERT DATE THAT IS BETWEEN 60 AND 180 DAYS AFTER THE END OF THE EXTENDED TERM OF THE CONTRACT, IF ANY][[7]](#footnote-8). we hereby agree to give you written notice of such extensions in writing NOT LATER THAN THE (30th) THIRTIETH DAY PRECEDING ANY DATE ON WHICH THIS LETTER OF CREDIT WOULD OTHERWISE EXPIRE, and on or before the same date of each year thereafter during the term hereof. If for any reason we determine that this letter of credit shall not be extended, we hereby agree to send you written notice thereof in writing by certified mail, return receipt requested, at least thirty (30) days prior to the expiration date. In the Event this credit is not extended for an additional period as provided above, you may draw up to the full balance hereunder.]**
5. **such drawing is to be made by means of a draft on us at sight, which must be presented to us before the then expiration date of this letter of credit.**
6. **This letter of credit cannot be modified or revoked without your WRITTEN consent.**
7. **YOUR RIGHTS UNDER THIS LETTER OF CREDIT SHALL BE PERFORMED STRICTLY IN ACCORDANCE WITH THE TERMS OF THIS CREDIT, IRRESPECTIVE OF ANY LACK OF VALIDITY OR UNEFORCEABILITY OF THE CONTRACT OR THE EXISTANCE OF ANY CLAIM, SET-OFF, DEFENSE OR ANY OTHER RIGHTS WHICH THE APPLICANT MAY HAVE AGAINST YOURSELVES. YOUR RIGHTS UNDER this CREDIT SHALL BE ENFORCEABLE WITHOUT THE NEED TO HAVE RECOURSE TO ANY JUDICIAL OR ARBITRAL PROCEEDINGS. ANY OBLIGATIONS HEREUNDER SHALL BE FULFILLED BY US WITHOUT ANY OBJECTION, OPPOSITION OR RECOURSE**
8. **this credit is not transferable or assignable in any respect or by any means whatsoever.**
9. **NOTHING HEREIN OR RELATED HERETO: (I) SHALL BE DEEMED A WAIVER OR AN AGREEMENT TO WAIVE ANY OF THE PRIVILEGES AND IMMUNITIES OF THE UNITED NATIONS, INCLUDING ITS SUBSIDIARY ORGANS, OR (II) SHALL BE INTERPRETED OR APPLIED IN A MANNER INCONSISTENT WITH SUCH PRIVILEGES AND IMMUNITIES.**

**Yours faithfully,**

**For and on behalf of <name of issuer bank>**

 **{Bank’s Official Seal}**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Name, Title**

**Draft[[8]](#footnote-9)**

**[At sight]/[\_\_\_ days after sight][[9]](#footnote-10), pay to the order of the UNITED NATIONS ENTITY FOR GENDER EQUALITY AND THE EMPOWERMENT OF WOMEN the sum of [currency][amount in words and figures].**

**This draft is presented pursuant to Letter of Credit No. [\_\_\_], issued by the drawee[[10]](#footnote-11) and dated [date].**

**THE UNITED NATIONS ENTITY FOR GENDER EQUALITY AND THE EMPOWERMENT OF WOMEN**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**To: [Name and Address of Bank that issued the Letter of Credit]**

1. *If Performance Security is required to be provided by the Contractor, please select whether it should be in the form of a First Demand Guarantee or Standby Letter of Credit.* [↑](#footnote-ref-2)
2. *The closing date of the Guarantee must be specified. If there is an extension of the initial term of the Contract, and the Guarantee expires prior to that date, Procurement will need to obtain an extension of the Guarantee.* [↑](#footnote-ref-3)
3. *The “applicant” will be identified here. The applicant is usually the same as the UN’s counterparty under the value (or “underlying”) transaction. It makes no legal difference in the protection afforded by the Letter of Credit if these parties differ, but care should be taken to see that the Letter of Credit as a whole unmistakably references the correct underlying transaction.* [↑](#footnote-ref-4)
4. *Specify the amount guaranteed and the currency in which payable.* [↑](#footnote-ref-5)
5. *The closing date of the Standby Letter of Credit must be specified.*  [↑](#footnote-ref-6)
6. *This bracketed provision is known as an “Evergreen” clause. It is appropriate for construction works that are expected to take more than one year to complete. It is also appropriate for other long-term contracts (such as requirements contracts) that may be performed repeatedly over an extended period of time.*  [↑](#footnote-ref-7)
7. *This post-completion drawing window is intended to give the parties time to address issues such as delivery of “turnover” documents when, for example, construction works are concluded. It is not intended to facilitate making the letter of credit serve as security for a warranty obligation.* [↑](#footnote-ref-8)
8. *A draft or bill of exchange is a negotiable instrument that is used in letter of credit practice to document the right of the beneficiary to receive payment. An instrument of this kind may be collected by depositing it with a bank with which the UN maintains a banking relationship. The process is known in the banking community as “Outward Collections.”* [↑](#footnote-ref-9)
9. *The “sight” draft is payable at once upon presentation. In practice, the issuing bank will have three to five days in which to examine the documents and assure itself that they conform to the requirements of the letter of credit. If the contract provides for a grace period after presenting the draft (and other documents required by the letter of credit), then the draft will be payable a definite period after sight, i.e., after presentation of the draft and other documents. These deferred payment drafts are often much more affordable for contractors. Their payment is no less certain,* *and Procurement Officers should weigh the lower cost of deferred payment instruments against the potential that the Organization will incur costs tied to the time-value of money if payment is deferred.* [↑](#footnote-ref-10)
10. *“Drawee”: means the bank at which the draft is payable.* [↑](#footnote-ref-11)