

[CONTRACTOR]

BOND

FOR CONTRACT (PC – [])

AT

[INSERT PROJECT NAME]

THIS BOND is made as a DEED on the _____ day of _____, 20__

BETWEEN

- (1) _____, company registration number _____, with offices at _____ (“the **Surety**”, which term shall include its successors and assigns), and
- (2) [Contractor name], company registration number [insert], with offices at [] (“the **Contractor**”, which term shall include its successors and permitted assigns), and
- (3) **West Sussex County Council**, with offices at County Hall, Chichester, West Sussex PO19 1RQ (“the **Employer**”, which term shall include its successors and assigns).

WHEREAS

By an Agreement (“the **Contract**”) made between the Employer and the Contractor, the Contractor has agreed to carry out certain works at [insert] PC No {insert} “the **Works**”) in accordance with the terms and conditions of the Contract.

NOW IT IS AGREED as follows:

1. Bond

By this Bond the Contractor and the Surety, their successors and assigns, are jointly and severally held and bound subject to the conditions hereof to the Employer for the payment to the Employer of the sum of £[] (in words) being 10% of the contract sum as referred to in the Contract.

2. Conditions

The conditions of this Bond are that:

- 2.1 if the Contractor duly discharges all the Contractor’s obligations under or pursuant to the Contract; or
 - 2.2 in the event of the Contractor’s default in the discharge of any such obligations, the Surety shall pay to the Employer up to the maximum amount of this Bond the loss and damage thereby caused to the Employer as established and ascertained pursuant to and in accordance with the provisions of or by reference to the Contract,
- this Bond shall, subject to Clause 4 below, hereby be discharged but otherwise shall remain in force.

3. Discharge

Whether or not this Bond shall be returned to the Surety, the obligations of the Surety under this Bond shall be released and discharged absolutely upon issue of the Practical Completion Certificate by the Architect/Contract Administrator appointed under the Contract, save in respect of any default, abandonment or insolvency which has occurred and in respect of which a claim in writing has been made upon the Surety before the expiry of the Bond.

4. Payment

- 4.1 Notwithstanding Clause 2 if any of the following events occur the Surety shall within 7 days pay to the Employer on the Employer’s first demand, in writing over original handwritten signatures stating that one or more of the following events has occurred, the sum stated by the Employer as being its expected loss or damage up to the maximum amount of this Bond (such claim and statement shall be accepted as conclusive evidence that the amount claimed is due to the Employer under this Bond):
 - 4.1.1 if the Contractor abandons the Contract without due cause; or
 - 4.1.2 where the Contractor is:
 - (a) a company, on the passing of a resolution for winding-up (otherwise than for the purpose of a solvent amalgamation or reconstruction where the resulting entity assumes all of the obligations of the Contractor), or a court of competent jurisdiction making an order to that effect; or
 - (b) a partnership, on its dissolution; or

(c) either a company or a partnership or an individual, on ceasing to carry on its business or substantially the whole of its business, becoming or being declared insolvent or committing any act of bankruptcy or convening a meeting of or making or proposing to make any arrangement or composition with its creditors or the appointment of a receiver, liquidator, trustee or similar officer over any of its assets.

4.2 The Employer may give different notices to the Surety on different occasions, each requiring the Surety to pay the sum referred to in clauses 2 and/or 4.1, but the Surety shall not be obliged to pay to the Employer more than the maximum amount of the Bond in total.

4.3 After completion of the Works the Employer shall ascertain the actual loss arising to it due to the event occurring under Clause 4.1 and:

4.3.1 if this is less than the amount paid by the Surety under Clause 4.1 then the Employer shall forthwith repay to the Surety; or

4.3.2 if this is more than the amount paid by the Surety then the Surety shall forthwith pay the Employer -

the difference between the actual loss and the said amount paid by the Surety not exceeding in aggregate the amount of this Bond.

5. Waiver

No alterations in the Contract, or in the Works, and no extension of time, forbearance or forgiveness, or any act, matter or thing whatsoever except fulfilment of one of the above conditions or an express release by Deed by the Employer shall in any way release the Surety from any liability under this Bond.

6. Assignment

Upon the benefit of the Contract being assigned by the Employer to any party ("the Assignee") the Employer shall then be entitled to assign or transfer all or any of the Employer's rights under this Bond to the Assignee, but the Assignee shall not make any claim under this Bond until the Surety has received in writing notice of the assignment from the Employer.

7. Law and Jurisdiction

7.1 This Bond shall be governed by and construed in all respects in accordance with English law.

7.2 In relation to any legal action or proceedings arising out of or in connection with this Bond ("Proceedings"), each of the parties irrevocably submits to the exclusive jurisdiction of the English Courts and waives any objection to Proceedings in such courts on the grounds of venue or on the grounds that Proceedings have been brought in an inappropriate forum.

IN WITNESS of which the parties have executed and delivered this Bond as a Deed the day and year first written above.

EXECUTED as a DEED by the SURETY

[_____]

acting by:

EXECUTED as a DEED by the CONTRACTOR

[_____]

acting by:

.....

Director

Name:

.....

Director

Name:

.....

Director/Secretary

Name:

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Director/Secretary

Name: