

Section V: Forms

Parent Company Support

Preamble

When Participants rely on the qualification or resources of their parent companies to meet the requirements of the Procurement Document or implement the Contract, their submissions shall be supported by an appropriate undertaking of the parent companies.

At the open competitive process stage, such undertaking shall be presented in a form of an irrevocable parent company guarantee.

At the prequalification stage, such undertaking may also be issued in a form of a letter of intent to provide a parent company guarantee at the follow-up procurement process.

The Letter of Intent or a Parent Company Guarantee shall be prepared on stationery of the Participant's parent company with its letterhead clearly showing the parent company's complete name and address.

Letter of Intent to Provide a Parent Company Guarantee

Date: *[insert the date]*
To: *[insert the Client's name]*

Dear Sir or Madam,

Re: Procurement Process: *[insert the reference]*
Contract: *[insert the title(s) of the contract(s) (lots), as appropriate, for which the Letter of Application is to be submitted]*

Being duly authorised to represent and act on behalf of *[insert the Parent Company's name]*, we, the undersigned, declare that:

- (a) We have been informed that *[insert the Participant's name]* (hereinafter called the "Participant") intends to submit an application for a prequalification for the above Contract(s), and that the conditions of the Procurement Process require its application to be supported by a parent company guarantee;
- (b) If the Participant is prequalified and submits a proposal in the follow-up procurement process, we hereby express our intention to provide an irrevocable and unconditional guarantee to you, as a primary obligation, for the due performance by the Participant of all the respective obligations and liabilities under the resulting Contract;
- (c) We understand that the Parent Company Guarantee shall be provided in the format and contain the conditions acceptable to you; and
- (d) We further understand that failure to furnish a suitable parent company guarantee may result in the rejection of the Participant's proposal.

Yours sincerely,

Signed by _____

Name _____

Position _____

For and on behalf of *[the name of the Parent Company]*

Parent Company Guarantee

Date: *[insert the date]*
To: *[insert the Client's name]*

Dear Sir or Madam,

Re: Procurement Process: *[insert the reference]*
Contract: *[insert the title(s) of the contract(s) (lots), as appropriate, for which the Letter of Tender is submitted]*

Being duly authorised to represent and act on behalf of *[insert the Parent Company's name]*, we, the undersigned, declare that:

- (a) We have been informed that *[insert the Participant's name]* (hereinafter called the "Participant") is submitting a proposal for the above Contract(s), and that the conditions of the Procurement Process require its proposal to be supported by a parent company guarantee;
- (b) In consideration of you, the Client, awarding the Contract to the Participant, we irrevocably and unconditionally guarantee to you, as a primary obligation, the due performance by the Participant of all the respective obligations and liabilities under the Contract, including the compliance with all its terms and conditions according to their true intent and meaning;
- (c) If the Participant fails to so perform its obligations and liabilities and comply with the Contract, we will indemnify the Client against and from all damages, losses and expenses (including legal fees and expenses), which arise from any such failure for which the Participant is liable to the Client under the Contract;
- (d) This guarantee shall come into full force and effect, when the Contract comes into full force and effect. If the Contract does not come into full force and effect within a year of the date of this guarantee, or if you demonstrate that you do not intend to enter into the Contract with the Participant, this guarantee shall become void and ineffective. This guarantee shall continue to be in full force and effect until all the obligations and liabilities under the Contract have been discharged, when this guarantee shall expire and shall be returned to us, and our liability hereunder shall be discharged absolutely;
- (e) This guarantee shall apply and be supplemental to the Contract as amended or varied by the Client and the Participant from time to time. We hereby authorise them to agree any such amendment or variation, the due performance of which and compliance with which by the Participant are likewise guaranteed hereunder. Our obligations and liabilities under this guarantee shall not be discharged by any allowance of time or other indulgence whatsoever by the Client to the Participant, or by any variation/amendment or suspension of the execution of the Contract, or by any amendments to the Contract or to the constitution of the Participant or the Client or by any other matters, whether with or without our knowledge or consent; and

- (f) This guarantee shall be governed by the law of the same country (or jurisdiction) as that which governs the Contract and any dispute under this guarantee shall be finally settled under the rules of arbitration defined in the Contract by one or more arbitrators appointed in accordance with such rules. We confirm that the benefit of this guarantee may be assigned subject only to the provisions for assignment of the Contract.

Yours sincerely,

Signed by _____

Name _____

Position _____

For and on behalf of *[the name of the Parent Company]*