

Example Advanced Payment Bond -

Contractor to provide proposed APB wording for review and approval prior to obtaining the APB

ADVANCE PAYMENT BOND

To: Conwy County Borough Council, [REDACTED]

• The "Contractor": [REDACTED]
[REDACTED]

• "Bond Maximum Amount": in GBP Sterling [REDACTED]
[REDACTED]

• DATE: [REDACTED]

Advanced Payment Bond [REDACTED]

As security for an advance payment to be made for the construction of the [REDACTED]
[REDACTED]

WHEREAS:

A. You, Conwy Borough County Council, have entered into a contract with the Contractor (the "Construction Contract") pursuant to which the Contractor will construct the [REDACTED]
[REDACTED] as per the requirements of the Scope (as defined in the Construction Contract).

B. Pursuant to/ the Construction Contract, you have agreed to make an advance payment to the Contractor of an amount equal to the Bond Maximum Amount (the "Advance Payment") on account of the sums that will be payable to the Contractor pursuant to the Construction Contract for the Construction and the Contractor has agreed to procure an advance payment bond in favour of you by way of security for the Advance Payment.

C. We, [REDACTED]
[REDACTED] have agreed to provide an advance payment bond in favour of you in the manner hereinafter appearing, in discharge of the Contractor's obligation to procure such a bond.

In consideration of your paying the Advance Payment to the Contractor and also in consideration of the payment of £1.00 by you to us (receipt of which we hereby confirm), we, [REDACTED]
[REDACTED], hereby irrevocably and unconditionally undertake and promise to pay, as primary obligor, to you on your first written demand, irrespective of the validity and the effects of the Construction Contract and waiving all rights of objection and defence and without reference to the Contractor, any amount or amounts not exceeding in aggregate the Bond Maximum Amount provided that your demand states:

- (i) the amount claimed; and
- (ii) either:

[REDACTED]

a) that, the Contractor has failed to comply with his obligations under the Construction Contract; (including without limitation, any failure to repay the Advance Payment in accordance with the Construction Contract's terms and conditions); or

b) the Contractor has suffered an event entitling you to exercise rights of termination pursuant to Reasons R5 – R10 of clause 91.1 of the Construction Contract or is otherwise insolvent pursuant to the Insolvency Act 1986.

With each payment by us under this Bond (the outstanding) Bond Maximum Amount shall be reduced accordingly.

This Bond will be automatically valid and available for drawing if and when the Contractor has received the Advance Payment without reserve on its IBAN/Account number as follows:

Recipient: [REDACTED]

IBAN: [REDACTED]

Bank / BIC: [REDACTED]

Demands for payment under this Bond have to be made by registered first class post or courier (e.g. DHL, TNT, etc.) to us at our office at [REDACTED]
[REDACTED]

Save in respect of any demands made beforehand, this Bond will automatically expire upon the first to occur of the following events:

(i) the repayment of the Advance Payment by the Contractor or by us to you as certified to the us, by you, in writing;

(ii) the Advance Payment reducing to zero in accordance with the Construction Contract as certified to us, by you, in writing; and

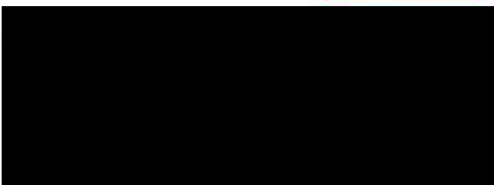
(iii) the date of [REDACTED]

("the Expiration Date")



If the Expiration Date falls on a Saturday or Sunday or on a day which is a public holiday in the United Kingdom, any demand for payment must have been received by us at the latest on the last day prior to the expiration date on which our premises are open for business.

You may assign or charge the benefit of this Bond, without our or the Contractor's consent.

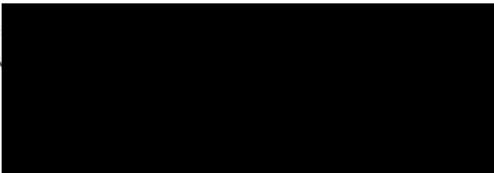
This Bond shall be governed by and be construed in accordance with the law of England and Wales. The parties hereby irrevocably submit to the exclusive jurisdiction of the Courts of England and Wales to settle any dispute or claim arising out of or in connection with this bond or its subject matter or formation. Each Party shall have the right to seek enforcement of such judgment obtained from the English and Welsh Courts in any other competent jurisdiction.



EXECUTED as a **DEED** by 

 acting by 

a [director][authorised signatory], in the
presence
of



[DIRECTOR][Attorney]

WITNESS

Signature: 

Name: 

Address: 



Occupation: 

