

1. Performance Bank Guarantee (PBG):

The selected vendor is required to submit a an unconditional and irrevocable Performance Bank Guarantee (PBG) to LIC in form of a Bank Guarantee equal to 3% of the total Contract Value. Format for submitting the Bank Guarantee is attached herewith as Annexure-XIII. No interest shall be payable on the PBG amount.

The required PBG should be submitted to LIC within 21 days from the date of letter issued by LIC for selection as the "selected vendor". PBG should be valid for 75 months from the date of submission of PBG to LIC, including the claim period of 3 months. The PBG may be invoked for entire amount (or the portion as deemed fit by LIC to make good its losses) if the vendor backs- out of his obligations as per the contract, including refusal to execute PO or excessive delay in execution of Purchase order or vendor does not provide onsite-support etc. required as per this RFP. Before invoking the PBG, the vendor shall be given written intimation (email or otherwise) with a cure period of not more than 30 days from the date of intimation.

If vendor fails to submit the required PBG within 21 days period as mentioned above, penalty of Rs.5,000/- per day (subject to maximum penalty of Rs.50,000/-) will be imposed. In case the selected bidder fails to submit performance bank guarantee even after the elapse of 35 days from the date of letter issued for selection as the "selected vendor", LIC at its discretion, may cancel the allotment of the contract to the concerned bidder and allot the contract to the L2 bidder at L1 prices, so on and so forth. All the terms & conditions, stated in this RFP (and subsequent modifications, if any) will then be applicable to the L2/L3 bidders, so on and so forth. In case the tenure of servicing is extended beyond contract period, the selected Vendor will be required to extend validity period of the PBG or submit a fresh PBG.

- a. The PBG should be valid for the entire contract period from the date of its submission to LIC and an additional three months from the date of notification.
- b. In case of extension of the contract by LIC, the vendor should submit fresh PBG of the same amount or extend the validity period of the submitted PBG to cover the extended validity period of the tender. This should happen within one month prior to the expiry of the earlier PBG, unless otherwise intimated by LIC.
- c. Format for submitting the Bank Guarantee is attached herewith as **Annexure XIII** and should be executed by a Nationalized/ Scheduled bank acceptable to LIC and having Branches in Mumbai.
- d. The PBG will not carry any interest.
- e. The PBG may be required to be submitted in multiple numbers, if required by LIC.
- f. The PBG may be invoked for entire amount if the vendor backs-out of his obligations as per this tender or if the fresh PBG is not received by LIC one month prior to the expiry of the earlier PBG; apart from other actions that may be decided by LIC.
- g. The PBG will be invoked in full or part (to be decided by LIC) in any of following eventualities during the period of contract, after providing the vendor a written intimation (email or otherwise) with a cure period of not more than 30 days from the date of intimation:
 - i. The bidder fails to honour expected deliverables or part as per this RFP after issuance of PO
 - ii. Any legal action is taken against the bidder restricting its operations
 - iii. Any action taken by statutory, legal or regulatory authorities for any breach or lapses which are directly attributable to the bidder.
 - iv. LIC incurs any loss due to Vendor's negligence in carrying out the project implementation as per the agreed terms & conditions
- h. The performance guarantee will be discharged by LIC and returned to the issuing Bank with intimation to the Vendor not later than 60 days following the

date of completion of the Vendor's performance obligations including any warranty obligations under the contract.

- i. In the event of any contract amendment, the Vendor shall, within seven days of agreeing to such amendment, furnish the amended performance guarantee, valid for 60 days beyond the duration of the Contract as amended, including warranty obligations.