



GUARANTEE FOR TRENCHING WORKS AGREEMENT

Agreement entered into today _____, between

Transport Malta, as duly represented by Mr. James Piscopo, Chairman, hereinafter referred to as the "Authority".

And

_____,

Holder/s of ID number/s _____

And residing at _____

appearing hereon in his/her/their own names /

for and on behalf of _____

a limited liability company with registration number C _____

and registered address at _____

hereinafter referred to as the "Contractor".

Whereas the Authority is responsible for the road network in Malta;

Whereas the Contractor currently engages/intends to engage in trenching and other road works in Malta, hereafter referred to as "roadworks";

Whereas roadworks have to be sanctioned by the Authority by means of a permit issued under the Legal Notice 29/2010

Whereas the Authority wants to ensure that the conditions to which such permits are subject are fully respected by the Contractor;

Whereas the Authority has a policy whereby only contractors who enter into a financial commitment to guarantee the fulfillment of said conditions may be granted a Permit.

Now, therefore the parties enter into the present agreement under the terms and conditions stipulated hereunder:

* A person/s representing a company must provide a copy of the memorandum and articles of the company showing that he/she/they are the judicial representatives thereof and/or a resolution of the Board of Directors empowering him/her/them to represent the company on this agreement



1. The agreement is being entered into for an indefinite term, provided that the Authority may at any time amend or terminate this agreement.
2. In the event that the Contractor is not responsible for any pending roadworks and intends not to apply for any further permits for the execution of roadworks, it may terminate this agreement by giving the Authority three months prior written notice. For the purposes of this clause the phrase “pending roadworks” shall include roadworks the warranty period of which is still running. For the avoidance of doubt, it is declared that the Contractor cannot terminate this agreement in the event that the warranty period for any roadworks carried out by it is still running.
3. The Contractor shall within two working days from the date of this agreement, furnish the Authority, with a Bank Guarantee issued by a local bank for the sum of fifteen thousand euro (€15,000) issued in favour of the Authority, in the standard text contained in Doc “A” attached to this agreement. In the event that the Contractor fails to do so, this agreement shall not come into effect.
4. The parties agree that the Authority shall have the right to call upon the Bank Guarantee in the event that the Authority deems that the Contractor has failed to honour any of the conditions attached to any permit issued to it by the Authority, or any obligations related to the roadworks emanating from the law with particular reference to the Legal Notice 29/2010.
5. In the event that the Bank Guarantee is called upon by the Authority, the Contractor shall, within five days, submit a fresh Bank Guarantee for the same amount and under the same conditions. In the event that the Contractor fails to do so it shall automatically become, liable to pay to the Authority a penalty of two hundred thirty three euro (€233) per day for mere delay. Furthermore, any permits issued to the Contractor by the Authority shall be automatically suspended, provided that such suspension shall be without prejudice to the Contractor’s obligation to carry out any remedial works ordered by the Authority.
6. The Contractor shall ensure that a Bank Guarantee given to the Authority in virtue of this agreement is renewed in order to remain in force throughout the duration of this agreement. In the event that the Contractor fails to do so it shall automatically become liable to pay to the Authority a penalty of two hundred thirty three euro (€233) per day for mere delay.



7. The present agreement makes the Contractor eligible for the issue of a permit. However it does not exempt the Contractor from the requirement to obtain any permit necessary at law, nor does it automatically entitle the Contractor to be granted any such permits.

8. The Contractor understands and accepts all the terms and conditions included herein and furthermore binds itself to adhere to any further terms and conditions included in any permit issued by the Authority.

The Contractor

The Authority