**Form of Letter of Suretyship Insurance for the Performance of the Terms of the Procurement Contract**

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| \_\_\_\_ /\_\_\_ / 20\_ No. \_\_\_\_  /city/  /Date of signing and number of the public procurement contract/  /Name of the procurement contract / (“the Contract”)  This Letter of Suretyship Insurance shall be valid in conjunction with insurance policy No. [insurance contract number to be inserted].  We have been informed that [insert the name of the successful tenderer; in the case of a joint partnership, please list the full names of the members of the group of economic operators, indicating the date of the joint partnership agreement] (hereinafter “the Supplier”) has concluded a Contract which provides that the Supplier is required to provide a Letter of Suretyship Insurance to guarantee the fulfillment of the terms of the Contract.  By this letter of suretyship insurance, the Supplier and the Guarantor [name, legal status and address of the Guarantor to be inserted], (hereinafter referred to as the “Insurance Company”), irrevocably undertake to indemnify and duly pay to Vilnius City Municipality Administration, Konstitucijos pr. 3, Vilnius (hereinafter “the Contracting Entity”) the amount of [the amount of the surety to be inserted in numerical form] ([the amount of the suretyship in verbal form and the name of the currency to be inserted]) in respect of the losses incurred and to properly pay it pursuant to this issued Letter of Surety Insurance. This undertaking shall be binding on the Insurance Company and its successors and shall be approved by an electronic signature of an authorized representative of the Insurance Company on [the date of issue of the letter of surety insurance to be inserted].  WHEREAS the Supplier has undertaken under the Contract with the Contracting Entity to [supply goods/services/works - please select the appropriate option] to the Contracting Entity,  THE TERMS OF THIS SURETY INSURANCE ARE THEREFORE AS FOLLOWS:  compensation shall be paid for the losses incurred by the Contracting Entity as a result of material breach(-es) of the Contract and/or other cases provided for in the terms of the Contract. The Insurance Company shall be liable for the payment of penalties, interest. The Insurance Company shall not be liable for non-performance or improper performance of the Contract due to force majeure.  The Insurance Company unconditionally and irrevocably undertakes to compensate the Contracting Entity for the losses incurred by the Contracting Entity and to pay the Contracting Entity within 10 (ten) working days no more than the above amount upon receipt of the Contracting Entity's first written request. The Contracting Entity shall not obliged to substantiate which of the terms of the Contract the Supplier has failed to fulfill or has improperly fulfilled, but must indicate which of the terms of the Contract the Supplier has violated.  The amount to be guaranteed will be reduced accordingly by the amounts paid out under this Letter of Suretyship Insurance.  The Insurance Company shall be solely liable to the Contracting Entity and therefore this letter of suretyship insurance is non-transferable and non-collateralizable.  If the Supplier fails to perform its obligations under the Contract or performs them improperly, the Contracting Entity shall not be obliged to enforce first against the Supplier's assets for damages.  The obligations of the Insurance Company shall take effect from the date of payment by the Supplier of the insurance premium for the suretyship insurance issued, i.e. by [start date of the suretyship insurance to be inserted], and shall remain in force up to and including [date of the surety insurance to be inserted]*.* If the Contracting Entity fails to make a claim within 3 months after the expiry of this letter of suretyship insurance, it shall cease to be valid and shall be returned to the Insurance Company.  If the Contracting Entity requests an extension of the period of validity of the Letter of Suretyship Insurance, the Supplier undertakes to notify the Insurance Company of such extension and the validity of this Letter of Suretyship Insurance may be extended at the request of the Supplier by the Insurance Company. The Insurance Company and/or the Supplier shall only be entitled to terminate the Suretyship Insurance Contract and the letter of Suretyship Insurance issued hereunder prematurely with the written consent of the Contracting Entity.  The Letter of Suretyship Insurance issued shall be governed by the law of the Republic of Lithuania. Disputes between the Parties shall be settled in accordance with the procedure established by the laws of the Republic of Lithuania.  This Letter of Suretyship Insurance is issued on the basis of the Suretyship Insurance Rules No.\_\_\_ (hereinafter “the Rules”), approved by the Insurance Company at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ on the \_\_\_ day of \_\_\_, 20\_\_\_. In the event of any conflict between the text of this Letter of Suretyship Insurance and the provisions of the Rules, the text of this Letter of Suretyship Insurance shall prevail.  Insurance company: /name of insurance company/  Authorized person: /signature/ /full name/  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_L.S. |
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**Municipality Authorized body Carrier**

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