

and of any representations made to him by the Nominated Supplier as to such cause of delay as aforesaid.

## **16.2 Reasonable adjustment**

If on receipt of such notice or representations as aforesaid, the S.O. is of the opinion that the supply and/or delivery of any such Articles is likely to be or has been delayed due to any of the causes or perils, (provided that the delay is not due to any act, negligence, default or breach of this Sub-Contract by the Nominated Supplier) for which the Contractor could obtain an extension of time for completion under the Main Contract, then in any such case, the Contractor shall, but not without the written consent of the S.O., make a reasonable adjustment to the date for completion of delivery specified in the Order.

## **17.0 FAILURE TO SUPPLY**

### **17.1 Failure to supply by specified date**

If the Nominated Supplier fails to supply and/or deliver any Articles under this Sub-Contract on or before the date for completion of delivery specified in the Order or such date for completion of delivery as may be adjusted in accordance with clause 16 hereof, then the Contractor shall have the right to do either one of the following:

- (i) cancel the Orders of any such Articles from this Sub-Contract without any compensation and obtain such Articles from other sources and all additional costs or expense thereby incurred shall be borne by the Nominated Supplier; or
- (ii) agree to accept the late delivery of any such Articles ordered but the Nominated Supplier shall be liable and pay or allow the Contractor any claims or damage for which the Contractor is liable to the Government under the Main Contract resulting from such delay.

### **17.2 Complete failure to supply**

If the Nominated Supplier fails to supply and/or deliver any Articles ordered in accordance with the provisions of this Sub-Contract, then the Contractor shall have the right to take action under clause 22 hereof.

## **18.0 PERFORMANCE BOND**

- (a) The Nominated Supplier shall, as a condition precedent to the commencement of any work under this Sub-Contract, deposit with the Contractor a Performance Bond in cash or in the form of a Banker's Draft or an approved Banker's or Insurance Guarantee equivalent to five (5 %) per centum of the total value of this Sub-Contract Sum as shown in **Schedule II** hereof for the due observance and performance of this Sub-Contract.
- (b) If the Nominated Supplier fails to carry out this Sub-Contract or commits any breach of his obligations under this Sub-Contract, the Contractor may utilize and make payments out of or deductions from the said Performance Bond, provided that the Contractor shall not be entitled to utilize such Performance Bond unless the S.O. shall have issued to the Contractor (with the duplicate copy to the Nominated Supplier) a certificate in writing stating in his opinion that the Nominated Supplier has been in default as aforesaid.
- (c) If a payment is made to the Contractor pursuant to any claim under the Performance Bond, the Nominated Supplier shall issue to the Contractor further security in the form