

Effective Date: 9/20/99 Supersedes Date: 12/20/96

## I. <u>General</u>:

Florida Statutes require that construction contracts of \$200,000.00, or greater, shall be secured by 100% Performance and Payment Bonds.

ABA Model Procurement Code requires that construction jobs valued at \$25,000.00, or greater, shall be secured by 100% Performance and Payment Bonds.

Escambia County has adopted the ABA Model Procurement Code guidelines of \$25,000.00, or greater, on construction projects be secured by 100% Performance and Payment Bonds. Projects less than \$25,000.00, may, as conditions warrant, be considered for Performance and/or Payment Bonds.

Service Contracts requiring Performance and Payment Bonds shall follow the same guidelines as the County set forth above and procedures contained herein.

## II. <u>Amount Required</u>:

When required by the County, the (successful bidder) contractor shall furnish separate performance and Payment Bonds, under pledge of adequate surety and covering up to 100% of the dollar value of the award on the forms provided by the County.

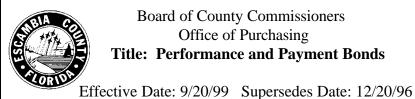
Separate Performance and Payment Bonds equal to 100% of the contract amount shall be furnished at the time of signing the formal agreement.

Performance and Payment Bonds shall be reviewed by the Office of Purchasing, prior to recording, to assure compliance that the bonds are underwritten by a surety authorized to do business in the State of Florida and otherwise acceptable to the County; provided; however, the surety shall be rated as "A-" (excellent) or better and Class "V" or higher rating as to financial size category as reported in the most current Best Key Rating Guide, published by A.M. Best Company.

After Office of Purchasing review, the bonds shall be recorded in the Clerk of the Circuit Court Recording Office, 1<sup>st</sup> floor, 223 Palafox Place, Pensacola, Florida, by and at the expense of the contractor.

The Clerk of the Circuit Court Recording Office will provide an official receipt of the transaction to the contractor; and the contractor shall request that after all recording procedures are done that the completed bond documents be sent to the Office of Purchasing.

The Office of Purchasing shall provide copies of the Performance and Payment Bonds to the contract administrator, with the final contract documents, at the time of issuance of the letter authorizing issuance of the Notice to Proceed.



Board of County Commissioners Office of Purchasing **Title: Performance and Payment Bonds** 

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If Change Order(s) cause the contract price to change by \$25,000.00 or more during the duration of the contract, the contractor shall furnish proof, as provided from the Construction Change Order Form [F0030] and on Change Order Request Form [F0020], in the form of a letter from his bonding company, that the amount of the Performance and Payment Bonds have been increased to 100% of the new contract value.