

**AWARD AND EXECUTION OF CONTRACT – CONTRACT BOND
REQUIRED ~~GENERAL REQUIREMENTS OF THE BOND.~~**

(REV. ~~9-16-14-14-15~~10-5-15) (1-15)

SUBARTICLE 3-2.2 is deleted.

SUBARTICLE 3-5.1 is deleted and the following substituted:

3-5.1 General Requirements of the Bond: Upon award, furnish to the Department, and maintain in effect throughout the life of the Contract, an acceptable surety bond in a sum at least equal to the amount of the Contract. Execute such bond on ~~the form~~ *Department Form No. 375-^[TF1]020-59* furnished by the Department. Obtain a surety that has a resident agent in the State of Florida, meets all of the requirements of the laws of Florida and the regulations of the Department, and has the Department's approval. Ensure that the surety's resident agent's name, address, and telephone number is clearly stated on the face of the Contract Bond.

On contracts of \$250,000 or less, the Department may waive the requirement for all or a portion of a surety bond if it determines that the project is of a noncritical nature and nonperformance will not endanger the public health, safety, or property. The Department may require alternate means of security if it waives the requirement for a surety bond.

3-5.1.1 Bond Requirements for Multi-Year Contracts: Upon award, the Contractor shall furnish to the Department, and thereafter continue to furnish to the Department during the term of the Contract, a Payment and Performance Bond guaranteeing the Contractor's contract obligations for each twelve month period of the Contract.

No later than the date of Contract execution the Contractor shall provide to the Department a Payment and Performance Bond on Department *Form No. 375-020-59* ^[TF2] in a penal sum equal to the first year's annual Contract amount under the Contract. Annually thereafter, between thirty and forty-five days prior to the contract anniversary date, the Contractor shall provide to the Department a Payment and Performance Bond on *Form No. 375-020-59* ^[TF3] in a penal sum equal to the upcoming year's annual Contract amount. Regardless of the number of separate bonds or bond continuations provided by the Surety hereunder, the Surety's liability for each bond or bond continuation shall be limited to the contract amount for the twelve month period for which the bond or bond continuation is provided.

Each Payment and Performance Bond shall be provided by a surety company authorized to conduct business in the State of Florida. Each Payment and Performance Bond shall be executed only on the forms provided by the Department. Failure to provide any of the required Payment and Performance Bonds to the Department within the aforementioned time frames shall entitle the Department to annul the award, declare the Contractor in default, terminate the Contract, or decline to renew the Contract, all in the Department's sole discretion.

3-5.1.2 Bonds for Improvement, Demolition or Removal Contracts of \$25,000 or Less: If this Contract is for an improvement, demolition, or removal Contract of \$25,000 or less, the security may be a cashier's check, certified check or bank or postal money order. The Department will deposit and hold the security, paying no interest throughout the life of the

Contract. The security will not be refunded until written notice of final acceptance is issued by the Department.