

CONSTRUCTION AND REMODELING PERFORMANCE BOND AND ASSURANCE REQUIREMENT

Evansville Community School District Board of Education contracts for the performance of labor or furnishing of materials for District construction and remodeling projects. Such contracts shall meet the payment and performance assurance requirements outlined in state law and District procedures. The purpose of these requirements is to provide reasonable assurance to subcontractors of a prime contractor that the subcontractors will be paid for their labor and materials provided in connection with the project.

Construction projects not exceeding \$74,000 shall include a provision which allows the District to enter into a contract and make direct payment to subcontractors or to pay the prime contractor with checks that are made payable to the prime contractor and to one or more subcontractors.

Construction projects over \$74,000 shall require the prime contractor to obtain a payment and performance bond, unless the District allows the contractor to substitute a different payment assurance, following this policy's Standards for Waiving Payment of Performance Bonds outlined below.

Standards for Waiving Payment of Performance Bonds and Accepting Alternative Forms of Assurance:

1. The prime contract has at least (5) years experience as a prime contractor in the construction industry;
2. Whether any meritorious claims for nonpayment for labor performed or materials furnished have been asserted or liens file against the prime contractor within the prior (3) years;
3. The prime contract is a party to any litigation or administrative proceeding, or has been threatened with any litigation or administrative proceeding, which would cause any material adverse change in assets or financial condition or conduct of its business;
4. The prime contractor is presently and has been authorized to do business in the State of Wisconsin for at least the prior (3) three years, and if the prime contractor is a corporation of similar entity, whether the prime contract is in good standing under the laws of the State of Wisconsin and has complied with all certifications, filings and other requirements necessary to continue doing construction work with the District and in Wisconsin;
5. Whether the prime contractor is financially able to meet the terms of the contract, as verified by the current financial statement of the contractor submitted to the District, and has evidence of available credit limits from a lender acceptable to the District.

Construction projects exceeding \$148,000 will require the prime contractor to obtain a payment and performance bond.

These requirements do not apply to contracts for direct purchase of materials by the District. The District shall retain full discretion and authority to determine whether or not to waive performance or payment assurances or to accept alternative forms of assurances. Nothing in this policy, shall obligate the District to grant any waiver, to accept any alternative form of assurance, or to take any action whatsoever.

Legal Ref.: Section 779.14 Wisconsin Statutes (Public Works, Form of Contract, Bond, Remedy)

Local Ref.: Policy #672 - Purchasing