

**Oakland County
CDBG
Construction Bonding Requirements**

For construction or facility improvement contracts or subcontracts exceeding \$50,000.00 the following bonds are required.

- 1) A performance bond shall be delivered to the Agency when the contract is executed on the part of the contractor for 100% of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor’s obligations under such contract.

- 2) *A payment bond (labor & material bond) shall be delivered to the Agency when the contract is executed on the part of the contractor for 100% of the contract price.* A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

Performance and payment bonds must be submitted at the time of contract signing.