

**Oakland County
CDBG
Bonding Requirements**

For construction or facility improvement contracts or subcontracts the following bonds are required.

- 1) *A bid guarantee from each bidder equivalent to 5% of the bid price. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument **accompanying a bid** as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.*

Contracts or Subcontracts exceeding \$50,000.00.

- 2) *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.*
- 3) *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.*

If a contractor fails to deliver the required bonds, the bid will be rejected.