



# Florida Department of Transportation

JEB BUSH  
GOVERNOR

605 Suwannee Street  
Tallahassee, Florida 32399-0450

THOMAS F. BARRY, JR.  
SECRETARY

August 24, 2001

**THIS MEMO IS EXPIRED**

## MEMORANDUM NO. 01-01

**TO: DISTRICT DIRECTORS OF OPERATIONS  
DISTRICT CONSTRUCTION ENGINEERS**

**FROM:** Bill Albaugh, Highway Operations Director

**COPIES:** Greg Xanders, Bruce Conroy, Steve Ferst, Ananth Prasad

**SUBJECT: LATENT DEFECTS IN MATERIALS AND WORKMANSHIP**

The Standard Specifications for Roads and Bridges Article 5-13 allows the Department to recover from the contractor or his surety such sums as may be sufficient to make good defects in work and materials or to correct errors in partial or final payments. This ability is now reinforced by including in the Contract Bond language that mirrors that of article 5-13 with a two year limit. The revised Contract Bond will be included in all projects beginning with projects let in November, 2001.

If a defect, attributable to defective work or material, is discovered within two years after final acceptance on a project, contact the contractor, with a copy to the Bonding Company, immediately directing the contractor to repair the defect within a specified time. If the contractor does not perform as directed within the time given, contact your district legal counsel.

If you have any questions please contact Ananth Prasad (Suncom 994-4140).

GX/js  
Attachment

### CONTRACT BOND

**KNOW ALL MEN BY THESE PRESENTS:** That we, \_\_\_\_\_

(Entity Name) having its principal place of business at \_\_\_\_\_  
(Bidding Office Street Address, City, State, Zip and Phone #) (hereinafter called Principal or Contractor) and \_\_\_\_\_  
hereinafter called Surety), duly authorized to do business in the State of Florida, pursuant to the laws of the State of Florida, having its principal place  
of business at \_\_\_\_\_ (Home Office City, State, Zip) are held and firmly  
bound unto the State of Florida, in the full and just sum of \_\_\_\_\_

\_\_\_\_\_ DOLLARS ( \_\_\_\_\_ ), lawful  
money of the United States of America, to be paid to the Florida Department of Transportation, to which payment will and truly be made we bind  
ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally and firmly by these presents; **WHEREAS**, the  
above-bounden Principal has subscribed to a contract with the State of Florida Department of Transportation (hereinafter called the Department),  
to bear the date of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ for constructing or otherwise improving a road(s), bridge(s), and building(s)

\_\_\_\_\_ in \_\_\_\_\_ County(ies), particularly known as

Federal Aid Project No(s): \_\_\_\_\_  
Financial Project No(s): \_\_\_\_\_ Contract No. \_\_\_\_\_

(hereinafter called the Contract), upon certain terms and conditions in the Contract more particularly mentioned; and **WHEREAS**, it was one of the  
conditions of the award of the Department pursuant to which said Contract was entered into that these presents shall be executed; NOW,  
THEREFORE, the conditions of this obligation are such that if the above bounden Principal shall in all respects comply with Sections 255.05 and  
337.18, Florida Statutes, and shall promptly, faithfully, and fully perform the Contract according to plans and specifications as therein referred to and  
made a part thereof, and such alterations as may be made in said plans and specifications as provided for therein, and within the time period specified,  
and further, shall remedy any errors in partial or final estimates and any defects which may exist, appear, occur or result in or from said work within a  
period of two (2) years from the date of final acceptance of the work under such Contract, and further if such Contractor shall promptly make payment  
to all persons supplying labor, material, equipment and supplies, and all persons defined in Section 713.01, Florida Statutes, whose claims derive  
directly or indirectly from the prosecution of the work provided for in said Contract, and promptly shall pay all State Workers' Compensation and  
Unemployment Compensation taxes incurred in the performance of the Contract, and shall be liable to the State in a civil action instituted by the  
Department or any officer of the State authorized in such cases for double any amount in money or property the State may lose or be overcharged or  
otherwise defrauded of, by reason of any wrongful or criminal act, if any, of the Contractor, its agents, and employees, and should the Contractor be  
declared to be in default under the Contract the Surety shall be obligated to pay the Department all liquidated damages assessed against the  
Contractor because of the default which were not withheld from contract proceeds and the Department may at its sole option demand that the Surety  
take over the project and provide further that should the Department elect to have the Surety to take over the project, then in such event, the Surety  
may not select the Contractor or any affiliate of the Contractor to complete the project for and on behalf of the Surety without the Department's express  
consent. It is further covenanted and agreed that any alterations or additions made under this contract or in the work to be performed therein or the  
granting of any extension of time for the performance of the Contract or any other forbearance by or on the part of either the Department or the  
Principal shall not in any way release the Principal and the Surety or either of them, their respective heirs, executors, administrators, successors, or  
assigns, from any liability hereunder. Notice to the Surety of such alterations, extension or forbearance is hereby specifically waived. This obligation  
shall remain in full force and effect until the full performance of all covenants, terms and conditions herein stipulated.

**WITNESS** the signature of the principal (Contractor) and the signature of the Surety by \_\_\_\_\_ its  
\_\_\_\_\_ (Agent or Attorney-in-Fact) with the seals of said Principal and Surety hereunto affixed  
this \_\_\_\_\_ day of \_\_\_\_\_

Complete the following as appropriate

Entity Name: _____	(Seal)
Authorized Signature: _____	Name & Title (Print): _____
*Signature: _____	Name & Title (Print): _____

\*In the event of a Partnership both signature and printed name of 2 partners must be affixed.

Organized and existing under the laws of the State of _____ and authorized to do business in the State of Florida, pursuant to the laws of the State of Florida.	
Countersigned: _____ Florida Resident Agent	Surety Company Name (Print) _____ (Seal)
Print information below (Florida Resident Agent ONLY; whether in Attorney-in-Fact or Countersignature role):	By: _____ Attorney-in-Fact (Surety)
Name: _____	<input type="checkbox"/> Above Signatory is also Florida Resident Agent (check if applicable and complete business name, address and telephone number block; if not, have such an agent countersign and complete block)
Business Address: _____	NOTE: Power of Attorney showing authority of Surety's Agent or Attorney-in-Fact is to be attached.
Telephone: _____	

Contractor shall record this bond in the official records of the Clerk of Court of the county where the improvement is located prior to commencing the work in accordance with Section 255.05(1)(a),  
Florida Statutes.

Send "Notices to Owner" to: