



Florida Department of Transportation

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This Memo Has Expired

REVISED DCE MEMORANDUM NO.: 04-07
(FHWA Approved: 4-12-07)

TO: DISTRICT CONSTRUCTION ENGINEERS

FROM: Brian A. Blanchard, Director, Office of Construction 

COPIES: Bob Burleson (FTBA), Chris Richter (FHWA), Greg Williams (FHWA)

SUBJECT: PAYMENT OF BOND FOR EXTRA WORK FOR SUBCONTRACTORS

This memo is issued to clarify what bond payment for extra work shall be and to ensure it is paid in a consistent manner statewide.

If the prime contractor requires a subcontractor to obtain a bond for additional or unforeseen work, the subcontractors can receive compensation for the costs of the bond. This is considered a cost of doing work. The subcontractor bond will be allowed for additional work paid by the initial contingency pay item included in the contract.

The subcontractor must provide documentation to the Department via the prime contractor showing clear and convincing proof that a bond premium is being paid. The subcontractor is to provide documentation of their bond rate for the contract in the form of copy of bond paid for other work already subcontracted as part of this contract.

This must not be confused with the prime contractor's bond that is included in the initial contingency pay item in the contract. The prime is not entitled to additional bond premium on additional or extra work paid under the initial contingency pay item. Prime bond premiums are allowable for additional or extra work paid by work orders issued against contingency supplemental agreements.

This applies to all past, present, and future projects.

If you have any questions, please contact Derek Fusco at (850) 414-4167.

BB/fw