

**AWARD AND EXECUTION OF CONTRACT –~~CONTRACT BOND~~
~~REQUIRED REQUIREMENTS FOR MULTI-YEAR CONTRACTS.~~**
(REV. ~~3-15-164-27-16~~) (7-16)

~~SUBARTICLE 3-2.2 is deleted.~~

SUBARTICLE 3-5.1 is ~~deleted and the following substituted~~*expanded by the following new Subarticle:*

~~**3-5.1 General Requirements of the Contract Bond:** Upon award, furnish to the Department, and maintain in effect throughout the life of the Contract, an acceptable Contract Bond in a sum at least equal to the amount of the Contract. Execute such Contract Bond on Department Form No. 375-020-27. Obtain the Contract Bond from a surety licensed to conduct business in the State of Florida, meeting all of the requirements of the laws of Florida and the regulations of the Department, and having the Department's approval. Ensure that the Surety's Florida Licensed Insurance Agent's name, address, and telephone number is clearly stated on the Contract Bond form.~~

~~On Contracts of \$250,000 or less, the Department may waive the requirement for all or a portion of a Contract Bond if it determines that the project is of a noncritical nature and non-performance will not endanger the public health, safety, or property. The Department may require alternate means of security if it waives the requirement for a Contract Bond.~~

3-5.1.1 Bond Requirements for Multi-Year Contracts: Upon award, the Contractor shall furnish to the Department, and thereafter continue to furnish to the Department during the term of the Contract, a Payment and Performance Bond guaranteeing the Contractor's contract obligations for each twelve month period of the Contract.

No later than the date of Contract execution the Contractor shall provide to the Department a Payment and Performance Bond on Department Form No. 375-020-59 in a penal sum equal to the first year's annual Contract amount under the Contract. Annually thereafter, between thirty and forty-five days prior to the contract anniversary date, the Contractor shall provide to the Department a Payment and Performance Bond on Form No. 375-020-~~59~~61 in a penal sum equal to the upcoming year's annual Contract amount. Regardless of the number of separate bonds or bond continuations provided by the Surety hereunder, the Surety's liability for each bond or bond continuation shall be limited to the contract amount for the twelve month period for which the bond or bond continuation is provided.

Each Payment and Performance Bond shall be provided by a ~~surety~~*Surety company* authorized to conduct business in the State of Florida. Each Payment and Performance Bond shall be executed only on the forms provided by the Department. Failure to provide any of the required Payment and Performance Bond's to the Department within the aforementioned time frames shall entitle the Department to annul the award, declare the Contractor in default, terminate the Contract, or decline to renew the Contract, all in the Department's sole discretion.

~~**3-5.1.2 Bonds for Improvement, Demolition or Removal Contracts of \$25,000 or Less:** If this Contract is for an improvement, demolition, or removal Contract of \$25,000 or less, the security may be a cashier's check, certified check or bank or postal money order. The Department will deposit and hold the security, paying no interest throughout the life of the~~

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Use on Multi-Year Contracts

~~Contract. The security will not be refunded until written notice of final acceptance is issued by the Department.~~