

AWARD AND EXECUTION OF CONTRACT –BOND REQUIREMENTS FOR MULTI-YEAR CONTRACTS.

(REV. 7-29-16) (1-17)

SUBARTICLE 3-5.1 is expanded by the following new Subarticle:

3-5.1.1 Bond Requirements for Multi-Year Contracts: Upon award, 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 contract obligations for each twelve month period of the Contract.

No later than the date of Contract execution, 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, provide to the Department a Payment and Performance Bond on Form No. 375-020-61 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 will be limited to the contract amount for the twelve month period for which the bond or bond continuation is provided.

Obtain the Payment and Performance Bond from a Surety authorized to conduct business in the State of Florida. Each Payment and Performance Bond must 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 will 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.