

Town of Middlebury
Selectboard Bid & Contract Security Policy

For Contracts between \$0 and \$25,000

All contractors must provide proof of insurance.

Generally, no security will be required for contract amounts between \$0 and \$25,000. However, the Town may require security:

- For any contract which the Town deems said security is in the best interest of the Town.

AND/OR

- To comply with requirements for state and federal funding.

For Contracts between \$25,000 and \$75,000

Bid Bonds will not be required.

In lieu of the Performance, Payment and Guaranty Bond, the following security will be acceptable to the Town of Middlebury:

1. Certified check or Bank check for 10% of bid. Make checks payable to the Treasurer, Town of Middlebury

OR

2. Irrevocable Letter of Credit from a financial institution for 10% of bid.

Security to extend 60 days beyond project completion date.

For contracts between \$75,001 and \$100,000

The contractor will furnish the following bonds and the obtaining of these bonds is a condition precedent to the effectuation of the contract between Owner and Contractor:

- Bid Bond in the amount of 5% of the bid.
- Guaranty Bond in the amount to 100% of the contract price.
- Performance Bond in the amount of 100% of the contract price.
- Payment Bond – Labor and Materials – 100% of the contract price.

All bonds are to be executed according to instructions. The Town of Middlebury will furnish Bond forms.

Alternate Security:

1. In lieu of the bid bond the following security will be acceptable to the Town of Middlebury:
Certified check or Bank check in the amount of 5% of bid. Make checks payable to the Treasurer, Town of Middlebury.

2. In lieu of the Performance, Payment, and Guaranty Bond, the following security will be acceptable to the Town of Middlebury:
 - a. Certified check or Bank check for 125% of bid. Make checks payable to the Treasurer, Town of Middlebury.

OR

- b. Irrevocable Letter of Credit from a financial institution for 125% of bid.

Security to extend 60 days beyond project completion date.

For Contracts of \$100,001 and over

The Contractor will furnish the following bonds and the obtaining of these bonds is a condition precedent to the effectuation of the contract between Owner and Contractor:

- Bid Bond in the amount of 5% of bid.
- Guaranty Bond in the amount of 100% of the contract price.
- Performance Bond in the amount of 100% of the contract price.
- Payment Bond - Labor and Materials – 100% of the contract price.

All bonds are to be executed according to instructions. The Town of Middlebury will furnish bond forms.

Adopted: October 9, 2013