



MANAGEMENT SUPPORT

Public Works Contractor Assurances and Change Orders

Bidder's Security Bond

At the time of bid on construction projects over **\$200,000 \$350,000**, each contractor's bid must be accompanied by a certified or cashier's check or by a bidder's security bond in the amount of at least five percent **(5%)** of the total bid amount, exclusive of taxes. All certified or cashier's checks and bidder's security bonds will be returned to the bidders when the successful bidder has entered into a contract with the district and has provided any required insurance certificates and performance and payment bonds. All bids received shall specify whether the district or the contractor shall carry fire, liability or other insurance during construction.

Performance and Payment Bond

Performance and payment bonds are required on all construction projects over \$25,000. **On contracts of \$150,000 or less, at the option of the contractor or the general contractor/construction manager as defined in RCW 39.10.210, the respective public entity may, in lieu of the bond, retain ten percent (10%) of the contract amount for a period of thirty (30) days after the date of final acceptance, or until receipt of all necessary releases from the department of revenue, the employment security department, and the department of labor and industries and settlement of any liens filed under Chapter 60.28 RCW, whichever is later.**

Retainage

The district will withhold retainage or require a bond-in-lieu of retainage on all construction projects over **\$15,000 \$25,000**. The district will accept a bond-in-lieu of retainage meeting the following standards unless it can demonstrate good cause for refusing to accept it:

- The bonding company must be registered with, and on the currently authorized insurance list published by, the Washington State Insurance Commissioner.
- Further, the bonding company will be listed in the latest Federal Department of the Treasury list of surety companies acceptable on Federal Bonds, published in the Federal Register, as authorized to issue bonds on U. S. Government projects with an underwriting limitation, including applicable reinsurance, equal to or greater than the amount of the bond to be recorded.
- Further, the bonding company will execute the current version of the Superintendent of Public Instruction [Form SPI D-164](#) (with alterations made by the **school** district.) Any further alterations of any kind, to [SPI Form D-164](#) will result in disqualification of the bonding company.

Notice(s) of potential lien claims existent at the time a bond-in-lieu of retainage is submitted by the contractor may be cause for the district's refusal to accept the bond.

IN REVISION

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Cross reference: [Board Policy 6950](#)

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