

## APPENDIX G

## STATE LAWS RELATING TO SCOPE AND COVERAGE OF CONTRACTOR BONDS

STATE & CITATION	SCOPE OF BOND OBLIGATION	AMOUNT OF COVERAGE	SPECIAL REQUIREMENTS
ALA. CODE § 39-1-1	<p>Performance Bond: faithful performance of contract.</p> <p>Payment Bond: labor, materials, or supplies for or in the prosecution of the work provided in the contract.</p> <p>Exemption: contracts under \$50,000.</p>	<p>100 percent of contract price.</p> <p>50 percent of contract price.</p>	<p>Payment bond must provide for payment of reasonable attorney fees for successful claimant on bond.</p>
<p>ALASKA STAT. § 36.25.010</p> <p>Standard Specs. § 103-1.05</p>	<p>Performance Bond: perform and complete all obligations and work under the contract.</p> <p>Payment Bond; payment of all claims for labor performed and materials and supplies furnished.</p> <p>Applies to contracts over \$100,000.</p>	<p>50 percent of amount of contract less than \$1 million; 40 percent of amount of contract over \$1 million; over \$5 million, bond amount is \$2.5 million.</p> <p>Amount of performance bond shall be amount of payment bond.</p>	<p>Corporate surety must be authorized to do business in state, or at least two individual sureties.</p>
<p>ARIZ. STAT. §§ 34-221, 34-222</p> <p>Standard Specs. § 103.07</p>	<p>Performance Bond: faithful performance of the contract in accordance with plans, specifications, and conditions, solely for protection of agency.</p> <p>Payment Bond: for payment of labor, materials, and supplies furnished to contractor or subcontractors.</p>	<p>100 percent of contract amount for each payment and performance bond.</p>	<p>Surety must have authority to transact business in the State. Bond must provide for payment of attorney fees for prevailing party.</p>
<p>ARK. CODE § 27-67-206</p> <p>Standard Specs. § 103.05</p>	<p>Performance Bond: faithful performance of the contract.</p> <p>Payment Bond: In form acceptable to department.</p>	<p>Statute requires at least 25 percent of contract price.</p> <p>Standard Specs require 100 percent of contract amount for performance bond, and 80 percent of contract amount for payment bond.</p>	
<p>CAL. PUB. CONT. CODE §§ 10221-10225</p>	<p>Performance bond: Guarantee faithful performance of contract.</p> <p>Payment Bond: For payment of claims of laborers mechanics or materialmen employed under the contract.</p>	<p>At least 50 percent of contract price for each bond.</p>	

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<p>COLO. REV. STAT. §§ 38-26-106; 24-105-202</p>	<p>Performance bond: Satisfactory to the state.</p> <p>Payment Bond: Payment for any labor, materials, team hire, sustenance, provisions, provender, or other supplies used or consumed by the contractor or his or her subcontractor in performance of the work contracted to be done, or supplier or laborers, rental machinery, tools, or equipment.</p> <p>Exceptions: Contracts under \$50,000.</p>	<p>50 percent of contract amount.</p>	<p>Certified or cashier's check or bank money order may be accepted in lieu of surety bond.</p>
<p>CONN. GEN. STAT. § 49-41</p> <p>Stand. Specs § 1.03.04</p>	<p>Performance Bond: Agency may require.</p> <p>Payment bond: For the protection of persons supplying labor or material in the prosecution of the work.</p> <p>Exceptions: Contracts under \$50,000 do not require payment bond; contracts under \$25,000 do not require performance bond.</p>	<p>Full amount of the contract.</p>	
<p>29 DEL. CODE § 6927</p> <p>Standard Specifications § 103.05</p>	<p>Performance Bond: Compliance and performance by the successful bidder of each and every term and condition of the contract and the proposal, plans and specifications thereof; payment in full to every person furnishing material or performing labor in the performance of the contract, of all sums of money due the person for such labor and material.</p> <p>Exceptions: Bond may be waived for contract under threshold amount set by Contracting and Purchasing Council, or may be waived at discretion of State.</p>	<p>100 percent of contract price.</p>	<p>Bond must also indemnify and save harmless the State and the agency from all costs, damages, and expenses growing out of or by reason of the successful bidder's failure to comply and perform the work and complete the contract.</p>
<p>D.C. CODE § 2-357.02</p>	<p>Performance Bond: To ensure the protection of the District government.</p> <p>Payment Bond: For the protection of all businesses supplying labor and materials, including lessors of equipment to the extent of the fair rental value of the equipment, to the contractor or a subcontractor in the performance of the work provided for by the contract.</p> <p>Exceptions: Contracts under \$100,000.</p>	<p>Amount equal to 100 percent of the portion or the contract price that does not include the cost of operation maintenance and finances.</p>	<p>Surety must be authorized to do business in District.</p> <p>In lieu of bond, may provide cash or other satisfactory security.</p>

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FLA. STAT. § 337.18	<p>Payment and Performance Bond: prompt, faithful, and efficient performance of the contract according to plans and specifications and within the time period specified, and for the prompt payment of all persons furnishing labor, material, equipment, and supplies therefore.</p> <p>Exceptions: Department may waive requirement for contracts of \$150,000 or less.</p>	Amount of contract.	Department may require alternate security if bond is waived; surety must be registered to do business in state.
GA. CODE §§ 32-2-70; 13-10-40; 13-10-60.	<p>Performance Bond: Required for construction contracts over \$100,000, with discretion to require for contracts less than \$100,000.</p> <p>Payment Bond: For the use and protection of all subcontractors and all persons supplying labor, materials, machinery, and equipment in the prosecution of the work provided for in the contract.</p> <p>Exemptions: Contracts under \$50,000.</p>	Amount of contract.	State may accept a cashier's check, certified check, or cash.
HAW. REV. STAT. § 103D-324	<p>Performance Bond: Faithfully perform, and fully complete the contract in strict accordance with its terms.</p> <p>Payment Bond: For every person who furnishes labor or material to the contractor for the work provided in the contract.</p> <p>Exceptions: contracts \$25,000 or less.</p>	100 percent of contract price.	May be a single payment and performance bond that satisfies requirements for each.
IDAHO CODE § 54-1926  Stand. Specs. § 103.04	<p>Performance Bond: Faithful performance of the contract in accordance with its plans, specifications, and conditions. Bonds shall be solely for protection of contracting agency.</p> <p>Payment Bond: Solely for protection of persons supplying labor or materials, or renting, leasing, or otherwise supplying equipment to the contractor or subcontractor in prosecution of the work provided for in the contract.</p>	Not less than 85 percent of contract amount.	Government obligations may be given in lieu of surety bond if they meet statutory criteria in IDAHO CODE § 54-1901.
30 ILL. COMP. STAT. § 550/1  44 Ill. Admin. Code	<p>Performance and Payment Bond: For the completion of the contract, for the payment of material used in such work, and for all labor performed in such work, whether by subcontractor or</p>	Full amount of contract.	Sureties selected by contractor, but subject to right of reasonable approval or disapproval of

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§ 6.290	otherwise.		agency.
IND. CODE §§ 8-23-9-8; 8-23-9-9 Stan. Specs § 101.35	Performance Bond: Faithful performance of the work, in accordance with the profile, plans, and specifications set forth in the proposal; payment by the contractor and by all subcontractors for all labor performed or materials furnished or other services rendered in the construction.  Exceptions: Commissioner may waive bond requirements for contracts under \$200,000.	Amount not less than contract price.	Commissioner has right to approve surety.
IOWA CODE §§ 573.2-573.5  Stan. Specs. § 1103.05	Contract Bond: Faithful performance of the contract and for fulfillment of other requirements as provided by law.  Exceptions: Contracts under \$25,000; may be required for contracts under that amount.	Not less than 75 percent of the amount of the contract unless contract provided that no payments are due until completion, in which case only 25 percent of the contract amount must be covered by the bond. Standard specifications require 100 percent of contract price.	Bonding company must be authorized to do business in the state.  In lieu of surety bond, the contractor may deposit cash, certified check, or bonds issued by federal, state, or local agencies.
KAN. STAT. §§ 68-410, 68-704  Stan. Specs. § 103.05	Contractor Bond: Faithfully perform such contract in every respect, and pay all indebtedness incurred for supplies, materials, or labor furnished, used or consumed in connection with or in or about the construction of the project for which the contract has been let, including gasoline, lubricating oils, fuel oils, greases, coal, and similar items used or consumed and used directly in carrying out the provisions of the contract.  Exceptions: Binding for construction contracts in an amount in excess of \$40,000.	Amount not less than contract price.	Surety must be authorized to do business in state and approved by the secretary.
KY. REV. STAT. § 45A.190	Performance Bond: Satisfactory to state.	100 percent of contract price.	

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Stan. Spec. § 103.05	<p>Payment Bond:</p> <p>For the protection of all persons supplying labor and material to the contractor or subcontractors.</p> <p>Exceptions: Contracts under \$25,000.</p>		
LA. REV. STAT. §§ 38:2216; 39:2241, 48:255	<p>Performance Bond: For faithful performance of contractor's duties.</p> <p>Payment Bond: For payment to claimants as defined in § 38:2242.</p> <p>Exceptions: No payment bond required for contracts under \$25,000. No performance bond if under \$50,000. On contracts of \$200,000 or less, qualified small businesses required to furnish only half of required bond amount.</p>	Not less than 50 percent of contract amount.	
14 ME. REV. STAT. § 871	<p>Performance Bond: Faithful performance of the contract in accordance with the plans, specifications, and conditions thereof.</p>	100 percent of contract amount.	
Standard Specs § 110.2.1	<p>Payment Bond: Solely for the protection of claimants supplying labor or materials to the contractor or the contractor's subcontractor in the prosecution of the work provided for in the contract, including rental equipment.</p> <p>Exceptions: Contracts under \$100,000.</p>		
MD. CODE STATE FIN. & PROC. §§ 13-216; 17-101 MD. REGS. CODE §§ 21.07.02.10; 21.06.07.10	<p>Performance Bond: Performance of contract.</p> <p>Payment Bond: Payment for labor and materials, including leased equipment, under a contract for construction.</p> <p>Exceptions: Contracts under \$100,000.</p>	100 percent of contract amount.	Bond amounts may be reduced if state decides that self-insuring for part of risk is in best interest of state.
MASS. LAWS ch. 149, § 29 Stan. Specs § 3.04	<p>Performance Bond: Performance of the contract.</p> <p>Payment Bond: Payment by contractor or subcontractor for labor performed or furnished and material used or employed in the work, including lumber not yet incorporated into or wholly consumed, specially fabricated material, transportation costs, equipment rental charges, and sums due under collective bargaining agreements regarding labor performed under the contract.</p>	100 percent of contract amount.	
MICH. COMP. LAWS §§ 129.201, 129.202,	Performance Bond: Faithful performance of the contract in	Sufficient security, but not less than 25	

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129.203	<p>accordance with the plans, specifications, and terms thereof.</p> <p>Payment Bond: Claimants, as defined in statute, supplying labor or materials to the principal contractor or subcontractors in the prosecution of the work.</p> <p>Exceptions: Contracts under \$50,000.</p>	percent of contract amount.	
MINN. STAT. § 574.26	<p>Performance Bond: For the use and benefit of the public body to complete the contract according to its terms, and conditioned on saving the public body harmless from all costs and charges that may accrue on account of completing the specified work.</p> <p>Payment Bond: for the use and benefit of all persons furnishing labor and materials engaged under, or to perform the contract, conditioned for the payment as they become due, of all just claims for labor and materials.</p>	Not less than 100 percent of contract amount.	
MISS. CODE §31-5-51 Stan. Specs. § 103.05	<p>Performance Bond: Full and faithful performance of the contract.</p> <p>Payment Bond: Prompt payment of all persons supplying labor or material used in the prosecution of the work under the contract.</p> <p>Exceptions: Performance bond not required for lump-sum contracts under \$25,000.</p>	Full amount of contract.	Surety must be authorized to do business in state.
MO. REV. STAT. § 107.170.2  Stan. Specs § 103.4.1	<p>Contractor Bond: Payment of any and all materials, incorporated, consumed, or used in connection with the construction of such work, and all insurance premiums, both for compensation, and for all other kinds of insurance, said work, and for all labor performed in such work whether by subcontractor or otherwise.</p> <p>Exceptions: Contracts under \$25,000.</p>	Amount equal to contract price.	
MONT. CODE §§ 18-2-201, 18-2-203	<p>Performance security: Faithfully perform all of the provisions of the contract and pay laborers, mechanics, subcontractors, and material suppliers and all persons who supply contractor or subcontractor with provisions, provender, material, or supplies for performing the work.</p>	Full contract price.	In lieu of bond, state may accept cash, cashier's check, certified check, bank money order, certificate of deposit, money market certificate, or bank

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	Exceptions: Contracts under \$50,000.		draft issued by federally or state-chartered bank or savings & loan insured by FDIC.
NEB. REV. STAT. § 52-118	<p>Payment Bond: Payment of all laborers and mechanics for labor that is performed and for the payment of material and equipment rental that is actually used or rented in the erecting, furnishing, or repairing of the public structure or improvement or in performing the contract.</p> <p>Exceptions: Contracts \$10,000 or less.</p>	Full amount of contract price.	Must be corporate surety.
NEV. REV. STAT. § 408-357	<p>Performance Bond: Guarantee faithful performance of the contract in accordance with the plans, specifications, and terms of the contract. Must be maintained for 1 year after the date of completion.</p>	Full contract price.	Surety must be corporate surety approved by department, and authorized to do business in state.
Stan. Specs. § 103.05	<p>Payment Bond: Payment of state and local taxes; industrial insurance and unemployment compensation premiums; claims for labor, materials, provisions, implements, machinery; means of transportation or supplies furnished upon or used for performance of contract.</p>		
N.H. REV. STAT. § 447:16	<p>Performance Bond: For the faithful performance and completion of the work to be done under the contract.</p>	100 percent of contract amount.	
Stan. Specs. § 103.05	<p>Payment Bond: For all labor performed or furnished; for all equipment hired, including trucks; for all material used; and for fuels, lubricants, power, tools, hardware and supplies purchased and used in carrying out the contract, and for labor and parts furnished upon the order of the contractor for the repair of equipment used.</p> <p>Exceptions: Contracts under \$35,000, for which bonds are optional.</p>		
N.J. REV. STAT. § 2A:44-143	<p>Payment and Performance Bond: For the payment by the contractor, and by all subcontractors, for all labor performed or materials, provisions, provender or other supplies; teams,</p>	Amount not to exceed 100 percent of contract amount, but may be set by agency depending on	
Stan. Specs §			



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103.05	<p>fuels, oils, implements or machinery used or consumed in, upon, for or about the construction, erection, alteration or repair of public buildings or public works.</p> <p>Exceptions: Contracts not exceeding \$200,000, requirement may be waived.</p>	risk.	
<p>N.M. STAT. §§ 13-4-18; 13-4-20</p> <p>Stan. Spec. § 103.6</p>	<p>Performance Bond: Performance of the contract.</p> <p>Payment Bond: For the protection of all persons supplying labor and material to the contractor or its subcontractors for the performance of the work.</p> <p>Exceptions: Agency may waive bonds for contracts \$25,000 and under.</p>	100 percent of contract price.	<p>New or additional bond required for insolvency of surety.</p> <p>Agency may elect to reduce bonds to not less than 50 percent of contract price, and self-insure for remaining risk if more advantageous to state.</p>
<p>N.Y. HIGH. LAW § 38</p> <p>N.Y. STAT. FIN. LAW § 137</p>	<p>Performance Bond: Perform the work in accordance with the terms of the contract and the plans and specifications, and commence and complete the work within the time prescribed, protect against any direct or indirect damage suffered or claimed on account of such construction or improvement during the time thereof.</p> <p>Labor and Material Bond: Contractors and subcontractors shall promptly pay all moneys due for furnishing labor and material to the project.</p>	100 percent of contract price.	<p>Sureties must be approved by highway department.</p> <p>In lieu of bonds, contractor may agree to have 20 percent of the entire contract price retained until entire job is completed and accepted.</p>
N.C. GEN. STAT. § 44A-26	<p>Performance Bond: Faithful performance of the contract, in accordance with plans, specifications, and conditions, solely for the protection of the contracting body.</p> <p>Payment Bond: Solely for the protection of the persons furnishing materials or performing labor for which a contractor or subcontractor is liable.</p> <p>Exceptions: Contracts \$50,000 and under.</p>	100 percent of contract amount.	Surety must be authorized to do business in state.
N.D. CENT. CODE §§ 24-02-23; 24-02-17	Contract Bond required on contracts over \$20,000.	Total amount of contract.	Surety must be a "responsible surety" approved by state

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Stan. Specs § 103.05			DOT.
OHIO REV. CODE § 5525.16	<p>Performance Bond: Perform the work upon the terms proposed, within the time prescribed, and in accordance with the plans and specifications; will indemnify the state against any damage that may result from any failure of the contractor to so perform.</p> <p>Payment Bond: Payment by the contractor and all subcontractors for labor or work performed of materials furnished in connection with the work, improvement, or project.</p>	100 percent of estimated cost.	Surety must be authorized to do business in state.
OKLA. STAT. tit. 61, §§ 1, 113	<p>Performance Bond: Proper and prompt completion of work in accordance with the contract.</p> <p>Payment Bond: Payment of all indebtedness incurred for subcontractors and all suppliers of labor, material, rental of machinery or equipment, and repair of and parts for equipment as are used or consumed in the performance of the contract.</p> <p>Exceptions: Contracts under \$50,000, for which contractor must supply affidavit that subcontractors and suppliers have been paid.</p>	Total amount of contract price.	<p>Contractor must have liability and workers' compensation insurance during construction.</p> <p>In lieu of surety bond, contractor may deposit an irrevocable letter of credit.</p>
OR. REV. STAT. § 279C.380 OR. Admin. R. 731-005-0770	Performance Bond: Faithful performance of the contract and statutory obligations.	100 percent of contract price.	In lieu of bond, may submit cashier's check or certified check.
62 PA. C.S 903 8 P.S. § 193	<p>Performance Bond: Conditioned on faithful performance of contract in accordance with the plans, specifications, and conditions.</p> <p>Payment Bond: Conditioned upon the prompt payment for all materials furnished or labor supplied or performed in the prosecution of the work. Labor or materials include public utility services and reasonable rentals of equipment for the periods when the equipment is actually used at the site.</p>	100 percent of contract price.	Surety must be authorized to do business in the state.

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R.I. GEN. LAWS § 37-12-1	<p>Contract Bond: Conditioned that contractor shall perform the covenants, conditions, and agreements in the contract at the time and manner therein specified, and indemnify the state; and shall promptly pay for all labor performed or furnished and for all materials and equipment furnished in carrying out the contract.</p> <p>Exceptions: May be waived for contracts under \$50,000.</p>	Not less than 50 percent nor more than 100 percent of contract price.	Applies to construction managers as well as prime contractors.
S.C. CODE § 57-5-1660	<p>Performance and Indemnity Bond: For the protection of DOT.</p> <p>Payment Bond: For the protection of all persons supplying labor and materials in the prosecution of the work provided for in the contract.</p> <p>Exception: Contracts under \$10,000.</p>	100 percent of contract amount. Payment bond not less than 50 percent of contract amount.	Surety must be satisfactory to agency.
S.D. CODIFIED LAWS § 5-21-1, 31-23-1	Performance Bond: Faithful performance of the contract; promptly pay all persons supplying him with labor or material in the prosecution of the work provided for in the contract.	100 percent of contract price.	
TENN. CODE § 54-5-119  Standard Specs § 103.06	Contract Bond: For the full and faithful performance of every part and stipulation of the contract, especially the payment for all materials purchased and for all labor employed in the contemplated work.	100 percent amount of contract. May use letter of credit.	Bond must be approved by department.
TEX. GOV'T CODE § 2253.021  Tex. Trans. Code § 226.006	<p>Performance Bond: Faithful performance of the work in accordance with the plans, specifications, and contract documents.</p> <p>Payment Bond: Solely for the protection and use of payment bond beneficiaries who have a direct contractual relationship with the prime contractor or a subcontractor to supply public work labor and material.</p> <p>Exception: Performance Bonds, contracts under \$100,000. Payment Bonds, contracts under \$25,000.</p>	Amount of contract.	
UTAH Standard Specs., §1.10	Performance Bond: For faithful performance of contract.	100 percent of contract amount.	Bonds must be satisfactory to the

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	<p>Payment Bond: For the protection of each person supplying labor, service, equipment, or material for the performance of the work provided for in the contract.</p>		state.
<p>VT. STAT. tit 19, ch. 1 §§ 10(8), (9) Vt. Agency of Transportation Policy and Procedures of Prequalification, Bidding and Award of Contracts §§8.04; 8.08</p>	<p>Performance Bond: Guarantees the faithful performance and completion of the work to be done under the contract as well as with all provisions of the contract.</p> <p>Labor and Materials Bond: Conditioned on payment, settlement, liquidation and discharge of the claims of all creditors for material, merchandise, labor, rent, hire of vehicles, power shovels, rollers, concrete mixers, tools and other appliances, professional services, premiums and other services used or employed in carrying out the terms of the contract; for the payment of state and municipal taxes, and contributions to commissioner of employment and training.</p> <p>Exceptions: Contracts under \$100,000, performance bond may be waived.</p>	Amount set by agency.	<p>Surety must be authorized to do business in the state.</p> <p>May accept other security in lieu of bond.</p>
<p>VA. CODE § 2.2-4337</p>	<p>Performance Bond: Faithful performance of the contract in strict conformity with the plans, specification, and conditions of the contract.</p> <p>Payment Bond: For protection of claimants who have and fulfill contracts to supply labor or materials to the prime contractor to whom the contract was awarded, or to any subcontractors in the prosecution of the work provided for in the contract, and shall be conditioned upon the prompt payment for all such material furnished or labor supplied or performed in the prosecution of the work.</p>	Equal to the sum of the contract amount.	One or more sureties must be authorized to do business in state.
<p>WASH. REV. CODE § 39.08.010  Stan. Specs. § 1-03.4</p>	<p>Contract Bond: Conditioned on faithful performance of all provisions of the contract, and payment of all laborers, mechanics, subcontractors, materialmen, and all persons who supply contractors and subcontractors with provisions and supplies for carrying out the contract.</p>	Full contract amount.	Surety must be subject to jurisdiction of state.
<p>W. VA. CODE §§ 17-</p>	<p>Contract Bond: Conditioned that</p>	102 percent of	Security bond, but

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4-20  Stan. Specs § 103.5	contractor will perform contract and pay in full to the persons entitled for all material, gas, oil, repairs, supplies, tires, equipment, rental charges for equipment, and charges for use of equipment, and labor used by the contractor.	contract price.	may deposit a cash bond.
WIS. STAT. § 779.14	Performance Bond: Faithful performance of the contract. Payment Bond: Promptly make payment to every person, including every subcontractor or supplier, of all claims that are entitled to payment for labor performed and materials furnished to the contractor for the purpose of making the public improvement or performing the public work. Exceptions: Contracts under \$10,000.	Not less than contract price.	Surety must be licensed to do business in state. Bond must be approved by agency.
WYO. STAT. §§ 16-6-112 Stan. Specs. § 103.05	Contract Bond: Payment of all taxes, excises, licenses, assessments, contributions, penalties, and interest lawfully due the state; for use and benefit of any person performing any work or labor or furnishing any materials or goods of any kind that were used in the execution of the contract, conditioned for the performance and completion of the contract according to its terms, compliance with all the requirements of law and payment as due of all just claims for work or labor performed and material furnished. Exceptions: Contracts under \$7,500.	Amount set by agency.	Other form of guarantee may be allowed by state for contracts under \$150,000.