



City of Kelowna  
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# Council Policy

## Bonding Requirements For All Construction And Servicing Contracts

APPROVED January 14, 1986

RESOLUTION: R375/10/04/26  
REPLACING: R1000/00/12/18; R892/1999/11/01; R47/1986/01/14  
DATE OF LAST REVIEW: April 2010

THAT the Municipal Council establish as policy the following bonding requirements on construction and service contracts:

	Bid Bond or Cash Equivalent	Bond	Performance Payment Bond	Labour and Material Bond
1. Construction contracts for standard structural work under \$50,000.	NIL		NIL	NIL
2. Construction contracts for standard structural work over to \$100,000.	10%		50% Bond or \$50,000 and up Bank Letter of Credit	NIL 50% Cash or
3. Construction contracts for standard structural work and road works over \$100,000.	10%		50%	50%
4. Construction contracts for other than standard structural work including underground work, or unusual or high risk work on all types of contracts.	10%		50%	50%
5. Service contracts in excess of \$50,000 per year. If contract is for more than one year, bid bond to be based on first 12 months cost.	10%		as specified in tender call	N/A

### REASON FOR POLICY

To establish bonding requirements on construction and service contracts to guarantee performance.

### LEGISLATIVE AUTHORITY

Council Resolution.

### PROCEDURE FOR IMPLEMENTATION

The City's Purchasing Manager obtains the appropriate bonding as part of the tendering process in accordance with this policy.