



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	Performance Bond	Labour and Material Payment 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.