

Performance Bond, Guarantee, and Maintenance Bond

Performance Bond

Notice of project award will be provided to the selected CONTRACTOR after the Fair Oaks Water District (DISTRICT) Board of Directors Monthly Meeting. As a conditions to issue the contract with selected bidder, selected bidder shall provide a performance bond within ten (10) days from the date of project award notice, to the DISTRICT for the amount of not less than 20% of project bid amount provided by the selected contractor.

In case of any failure from the condition mentioned in the project documents including improvement plan for the project, DISTRICT Standard Drawings and Specifications, General Conditions, Contract documents, Request for Bid documents, project schedule, and if the CONTRACTOR stop/leave the project without a written agreement by both parties, the DISTRICT reserves the rights to terminate the CONTRACTOR and require the bond provider to reimburse to the DISTRICT for the full amount provided in the Performance Bond (not less than 20% of project bid amount provided by the selected bidder) at any stage of the project construction/completion. Attached Performance Bond document shall be used for furnishing the Performance Bond.

Guarantee

The Guarantee shall cover all materials, workmanship, or equipment used for by Contractor for project construction. This Guarantee shall be submitted to the DISTRICT prior to issue the contract on the Guarantee form provided with this document and shall remain in effect for a period of one (1) year from the date of issuance of Preliminary Acceptance Letter by the DISTRICT for completed project.

Should any failure of the work occur within the Guarantee period (one year from the Preliminary Acceptance Letter issue date) attributable to any cause, including, but not limited to, faulty materials, poor workmanship, or defective equipment, the CONTRACTOR shall promptly make the needed repairs at its expense. In addition, where the DISTRICT deems applicable, should damage from any cause occur during subsequent construction work within the same project, the CONTRACTOR shall promptly make the needed repairs at its expense.

The CONTRACTOR shall repair any trench settlement and comply with Sacramento County encroachment permit requirements during the Guarantee period. Provided no outstanding liens remain against the Guarantee, the DISTRICT shall maintain and operate the system for one (1) year from the date of acceptance.

Maintenance Bond

Prior to the DISTRICT Preliminary Acceptance Letter issuance for the new water facilities constructed by the CONTRACTOR per project documents, the CONTRACTOR shall furnish an overall maintenance bond or corporate surety bond, payable to the DISTRICT. This bond, which shall be executed by a duly licensed surety company authorized to do business in the State of California, shall protect the DISTRICT against the results of any failure to attributable to any cause, including, but not limited to, faulty material, poor workmanship, and defective equipment or damage of the work occurring within the Guarantee period under the provisions of the Guarantee.

The bond shall guarantee the CONTRACTOR's responsibility as outlined above for a period of one (1) year or shall remain in effect for as long as the Guarantee remains in effect. The bond shall be provided on forms to be approved by the DISTRICT and shall be in the sum of not less than ten percent (10%) of awarded amount including any change orders issued during the project construction.

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS: that _____
_____, having an office at _____
_____ as Principal, hereinafter called **CONTRACTOR**, and _____
_____ having an office at _____
_____, as Surety, hereinafter
called Surety, are held and firmly bound unto the _____

having an office at _____, as Oblige, hereinafter called **DISTRICT**, for the use and benefit of claimants as herein below defined, in the amount of _____),
for the payment whereof **CONTRACTOR** and Surety bind themselves, their heirs, executors, administrations, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, **CONTRACTOR** has by written agreement dated _____, 2020, entered into a Contract with the **DISTRICT** for the construction of the project titled Water Main Replacement Plan on Fair Oaks Blvd., in accordance with the project documents including improvement plan for the project, FOWD Standard Drawings and Specifications, General Conditions, Contract documents, Request for Bid documents, and project schedule.

NOW, THEREFORE, the condition of this obligation is such that, if **CONTRACTOR** shall promptly and faithfully perform said Contract, then this obligation shall be null and void; otherwise it shall remain in full force and effect.

The Surety hereby waives notice of any alteration or extension of time made by the **DISTRICT**.

Whenever **CONTRACTOR** shall be and declared by **DISTRICT** to be in default under the Contract, the Surety shall promptly remedy the default. If the **DISTRICT** terminates the Contract for such default, the following precautions shall govern the liability of the **CONTRACTOR** and the Surety hereunder.

In the event of such termination, the **CONTRACTOR** and the Surety shall remain fully liable to the **DISTRICT** for the **CONTRACTOR'S** failure to timely complete the Contract, any additional costs incurred by the **DISTRICT** in completing the Contract, and liquidated damages from the originally scheduled completion date to the date of the actual completion of the work by the **DISTRICT**.

In the event of such termination, the Surety Company may elect to take over and complete performance of the Contract by giving written notice to the **DISTRICT** of such determination within seven (7) days of the **DISTRICT'S** mailing of notice of termination to the Surety and actually commencing completion with fourteen (14) days of the **DISTRICT'S** notice to the Surety. The Surety shall fully complete the work by the originally

scheduled date of completion and the CONTRACTOR and the Surety shall remain liable to the DISTRICT for all damages sustained by the DISTRICT and for liquidated damages for delay.

Any suit under this bond must be instituted before the expiration of one (1) year from the date on which final payment under the Contract falls due or before the expiration of two (2) years from the Date of Substantial Completion of the Project, whichever is later.

No right of action shall accrue on this bond to or for the use of any person or corporation other than the DISTRICT named herein or the heirs, executors, administrators or successors of the DISTRICT.

Signed and sealed this _____ day of _____, 2020.

WITNESS:

CONTRACTOR (SEAL)

By _____

(Witness) _____

(Title) _____

WITNESS:

(Name of Surety) (SEAL)

By _____
(Attach Power of Attorney)

(Witness) _____

(Title) _____

GUARANTEE

(To be submitted by the Applicant)

DATE: _____

FROM: CONTRACTOR's Name: _____

Address: _____

TO: Fair Oaks Water District
10326 Fair Oaks Boulevard
Fair Oaks, Ca. 95628

REGARDING: (Project/Subdivision) _____
(Location/Streets) _____

Officials of Fair Oaks Water District:

We hereby guarantee that the construction performed under the Approved Plans dated _____, 20____, for the above-named project has been done in accordance with drawings and specifications and that work as installed will fulfill requirements of the Guarantee included in the Specifications. We agree to repair or replace any or all of our work, together with any other adjacent work that may be displaced in the process, should any failure or damage of the work occur, attributable to any cause, including, but not limited to, faulty materials, poor workmanship, defective equipment, and damage occurring during building construction, for a period of one (1) year from date of acceptance of above-named project by the District.

In the event of our failure to comply with the above-mentioned conditions, within ten (10) days (or less in an emergency) after being notified in writing by the District, we, collectively or separately, authorize the District to have the defects or damage repaired and made good at our expense, and we will promptly honor and pay the costs and charges for repairs. In the event of failure on our part, we further promise to pay attorney's fees as a court with jurisdiction in the matter shall decide, should the enforcement or interpretation of this Guarantee or any part thereof require legal action.

CONTRACTOR's Signature

Notary Seal _____