

POLICY 2.72: BONDING STANDARDS FOR COLLEGE PROCUREMENTS

The college requires bid bonds, performance bonds and payment bonds in a manner that is:

- Legally compliant
- Consistently applied
- Clearly disclosed to bidders
- Integrated with the college's procurement and bid-evaluation systems

Bonding requirements won't be imposed, waived or modified except as authorized under this policy standard.

Bonding standards

Performance and payment bonds (mandatory)

PERFORMANCE AND PAYMENT BONDS ARE REQUIRED FOR:

- All public construction contracts meeting or exceeding the statutory threshold established under 30 ILCS 550
- Projects funded by capital, bond or other restricted funds when legally required
- Any project where bonding is imposed by statute, grant conditions or an intergovernmental agreement

STANDARD REQUIREMENTS

- Bond amount: 100% of the total contract price
- Timing: After award and prior to contract execution
- Waiver: Not permitted

Failure to provide timely required performance and payment bonds constitutes a default and may result in rejection of the award and forfeiture of bid security, if applicable.

Bid bonds (discretionary)

Bid bonds aren't required by statute but may be required by the college based on project risk.

BID BONDS MAY BE REQUIRED WHEN:

- The procurement involves construction or construction-related services.
- The dollar value or complexity of the project presents financial or schedule risk.
- The project schedule is critical.
- There is risk of bidder withdrawal or inability to furnish post-award bonds.

BID BONDS MAY BE WAIVED WHEN:

- The procurement is low-risk or low-dollar.
- Requiring bid security would unduly restrict competition.

IF A BID BOND IS REQUIRED:

- The requirement must be expressly stated in the solicitation.
- The bid bond amount and form must be specified.
- Failure to submit the bid bond renders the bid non-responsive.
- The requirement won't be waived after bid opening.

Non-construction procurements

Performance, payment and bid bonds are generally not required for non-construction procurements, except where:

- Financial guarantees are necessary to protect the college
- Required by contract, grant or external funding source
- The risk profile of the contract warrants additional security.

Such requirements must be approved by the vice president of business & finance, chief financial officer, during solicitation review.

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