



MUNICIPALWORKS BLANKET SURETY BOND

PROJECT TYPES INCLUDED:

Performance of

roadwork
sewer & watermain
electricity services
gas services,
street lighting
traffic signals
buildings
bridges
janitorial services

PROJECT TYPES EXCLUDED:

The provision of non- construction services, including

snowplowing services
waste pickup, removal
transportation services
security services
land development

ABILITY TO ADD TO THE LIST:

Yes we can add to the list and if you have a project not specifically mentioned let us know and if it is acceptable we can issue an endorsement to the bond

Municipalworks Blanket Surety Bond

The Problem:

Commonly public buyers do not require surety bonds on smaller projects for two reasons:

- Minimum bond premium which applies adds a significant cost
- Smaller projects are typically sought by smaller contractors who do not qualify for a bond facility

The option to provide a Certified Cheque or Letter of Credit is frequently offered either to be included in a roster of contractors the municipality will use or on a job by job basis.

This creates administrative issues for the municipality in that a tracking system is required for that security and when the time comes to return the funds to the contractor it is time consuming and troublesome for all parties.

The Solution:

We are pleased to introduce the Municipalworks Annual Blanket Bond. It can be offered as a less expensive option for the contractor than is currently available and combines the best aspects of the Letter of Credit with the convenience of a surety bond.

- covers only specified types of contracts as listed to the left
- contracts must be under \$125,000 in value.
- one contractor may have multiple contracts with you simultaneously and they are all covered by the one bond on a blanket basis.
- Bond penalty is \$20,000
- No tracking is required as it is in effect unless you receive a letter of cancellation
- Wording downloaded at <http://www.bondsurety.ca/municipalbondwording.pdf>

This is a financial guarantee bond which means the bonding company does not have to agree with you that the contractor is in default—you have only to declare him such and provide substantiating paperwork much like a letter of credit. There is no underwriting done of the principal thus there is no prequalification service which also follows the letter of credit.



Municipalworks Portals

We are building a network of end-users of this bond and as Obligees under surety bonds; that is indeed what you are. All such end-users will be given the opportunity to be included in the evolution of the bond. Our goal is to work with you to ensure your needs are met. We will provide you with a password protected portal which will allow you to see all the contractors bonded to you with a Municipalworks Bond with the ability to verify the status of their bond

and to view a copy of the actual document. It is through these portals we will also give you access to a conversation board and various surety related resources. We would be pleased to offer webinars to any public buyer who wishes a refresher on bonds in general or on this bond in particular. For more information visit www.bondsurety.ca/performancebonds.html