

SECTION 6
PERFORMANCE BOND PROCEDURES
AND
BOND AGREEMENT

- 6.1 When a Performance Bond is to be posted, the applicant shall execute an agreement and file the bond with the Commission in accordance with the following procedure. The Commission shall seek advice and assistance from the Board of Selectmen and the Town's Engineer as to the estimated full cost of the work and from Town Counsel with regard to the bond agreement.
- 6.2 Amount: The amount or fee value of the Performance Bond shall be estimated prior to the approval of the application and shall take into account no less than the following:
- 6.2.1 The full cost of the required work as if let-to-bid by the Town of a current date for completion within two (2) years;
- 6.2.2 No less than ten percent (10%) additional compounded for each of three (3) subsequent years to cover changing cost; and
- 6.2.3 Not less than twenty-five percent (25%) of the full cost to cover non-aggregated construction items in the event of default.
- 6.3 Form: Performance Bond and Bond agreements shall be duly executed on forms provided by the Commission and with proper references to all plans showing work to be done.
- 6.4 Bonds: Such bonds shall be cash bonds in the form of a bank or certified check made payable to the Town of Clinton. A list of all such bonds shall be kept by the Commission and by the Director of Finance, setting forth the name and address of each obligor, the name of the project, and the disposition of the bond. Interest accruing to each such bond shall belong to the obligor and shall be remitted to such obligor when the Commission approves the final release of the bond. Such accrued interest shall be reported on an annual 1099-INT form, issued by the Office of the Director of Finance of the Town of Clinton.
- (Amended January 1, 1998)
- 6.5 Term: Every two (2) years the cost of the remaining work shall be reviewed and the bond amount adjusted to reflect the current and projected construction and other costs.