

Contractor Assurances, Surety Bonds and Insurance, and Construction Contract Changes

A contract will only be entered into with a contractor who is licensed or registered as required by the laws of this state. A contractor will be granted a contract when a statement is submitted and sworn to which states that the contractor is in compliance with the state laws relating to prevailing wage for public works and with state and federal laws relating to nondiscrimination in hiring. Such a statement may be a provision or clause in the contract.

Contractor Surety Bonds and Insurance

Each contractor's bid must be accompanied by a certified or cashier's check, or bid bond in the amount of at least five percent of the total bid amount, excluding taxes. Bid deposits pursuant to this policy may be based upon the architect's estimated cost of construction. Any bid which is not successful will entitle the bidder to a refund of its security or bond. The successful bidder will have the bond or security retained until such a time as it is determined that the bidder will complete the contract. All bids received will specify whether the district or the contractor will carry fire, liability, or other insurance during construction.

The successful bidder is required to make, execute and deliver to the board a good and sufficient performance bond with two or more sureties, or a surety company which will state that the contractor will execute and faithfully perform the provisions of the contract and will pay all subcontractors and material men as required by law.

Construction Contract Changes

Definitions

1. Change Order (CO): a document used to implement changes in the construction work agreed to by the District, Architect, and Contractor. Execution of the form indicates agreement upon all terms of the change, including any changes in the contract sum and contract time.
2. Construction Change Directive (CCD): a document used to implement changes in the construction work where, for whatever reason, the District and Contractor may or may not have reached agreement upon the proposed changes in contract sum or contract time, and where changes in the work need to be implemented expeditiously in order to avoid a delay in the project.

Change Order Procedures

For each construction contract, District staff will budget an appropriate contingency for construction change orders resulting from events other than District-directed changes to the project

For construction change orders under the amount of \$50,000 the Superintendent shall have the authority to sign. The Superintendent shall advise the board of all change orders executed in such cases.

The following types of change orders shall be presented to the Board of Directors for action or approval prior to the Contractor commencing the change order work:

1. Any change order in excess of \$50,000.
2. Any change order that exceeds the construction contingency.

3. Any change order whose value, when added to the aggregate value of all previous change orders for the same project, exceeds the construction contingency for the project and;
4. Any other change orders not conforming to the above categories.

In the event a change order request exceeding the authority of the Superintendent must be considered between board meetings, the President of the Board may provide interim authorization. The Board shall take formal action on such requests at the next Board meeting.

Construction contingency status shall be included in all change order reports to the Board of Directors.

Construction Change Directive Procedures

CCD's shall be used to direct the Contractor to make changes in the work in a timely manner avoid a delay to the project or other forms of damage to the District.

For CCD's under the amount of \$30,000 the Superintendent shall have the authority to sign. For CCD's over \$30,000 and less than \$50,000 the Superintendent and the Board President must sign. For CCD's over \$50,000 the Board must approve prior to commencement of the work by the Contractor.

CCD status shall be included in all change order reports to the Board of Directors.

Change Orders

~~The board will approve authorized change orders which arise during construction. In order to facilitate timely progress during construction, the board may grant the superintendent authority to authorize change orders if additional cost to the district does not exceed the approved contingency for the project or extend beyond its original scope.~~

Legal References:	RCW <u>39.06.010</u>	<u>Contracts with unregistered or unlicensed contractors and with other violators prohibited</u>
	<u>39.08.010</u>	Bond required--Conditions- Retention of contract amount in lieu of bond — Contracts of one-hundred-thousand dollars or less
	<u>39.06.010</u>	Contracts with unregistered or unlicensed contractors and with other violators prohibited
	39.12	Prevailing wages on public works
	49.60.180	Unfair practices of employment defined
	42 U.S.C.S § 2000c et. seq.	Title VII of Civil Rights Act of 1964 (amended by CRA of 1991);
	Section 504	Rehabilitation Act of 1973

| Revision Date: 4/23/12, 6/10/13
Adoption Date: January 2, 2002
Woodland School District #404