**Payment Bond**

**APPROVED DOCUMENT—**This document is approved by the Office of the President and Office of the General Counsel for use by the Facility.

**Cover Sheet and Instructions**

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| --- | --- |
| **PURPOSE OF DOCUMENT:** | Provides a source of compensation for unpaid sub­contractors (regardless of tier), suppliers, or workers who have furnished goods or services for the project. |
| **CROSS-REFERENCES TO FACILITIES MANUAL (FM):** | **FM4:4.6.5** |
| **CONTENTS:** | Payment Bond form |
| **FOR USE WITH:****(Not Applicable to Some Documents)** | ✓ | Job Order Contract (JOC) |
| **COMPLETED BY:** | ✓ | Filling In |  | Adding Text |  | No Data Required |
| **ITS USE IS:** | ✓ | Required |  | Optional |

**Completion Instructions:**

1. On page 1, fill in the blank spaces for “Contract No.”, the description of the work, the name of the Contractor, date of Agreement (10 days from date Notice of Selection received), and dollar amount of Contract Sum from Agreement.

2. The contractor and the surety complete the rest of the form.

3. The penal sum of the Payment Bond is equal to at least one-half of the Maximum Contract Value for the Base Term or one of the Option Terms. Projects with federal funding may require the penal sum to be a percentage of the contract sum; if so, the University must use the percentage required by the federal agency to determine the penal sum of the bond.

**Modifications and Additions:**

(None)

**Comments:**

1. A Payment Bond is required by the California Civil Code, Section 9550, and by The Regents for all contracts valued at $25,000 or more.

2. The signature on behalf of the surety must be notarized.

3. The completed form is required before award of the contract.

**END OF COVERSHEET AND INSTRUCTIONS**

Bond No.:\_\_\_\_\_\_\_\_\_

PAYMENT BOND

For the Base/Option [pick one] Term only

KNOW ALL PERSONS BY THESE PRESENTS:

 THAT WHEREAS, The Regents of the University of California ("The Regents") has awarded to

 as Principal the Base/Option [pick one] Term of a contract dated the day of , ,[USE THE DATE OF THE AWARD OF EITHER THE BASE OR THE OPTION TERM]

(the "Contract") for the work described as follows:

{DESCRIPTION OF THE WORK: INCLUDE JOB ORDER CONTRACT NUMBER}

 AND WHEREAS, Principal is required to furnish a bond in connection with only the above referenced Base/Option [pick one] Term of the Contract to secure the payment of claims of laborers, mechanics, material suppliers, and other persons as provided by law;

 NOW, THEREFORE, we, the undersigned Principal and

as Surety, are held and firmly bound unto The Regents in the sum of

 dollars ($ ), [insert an amount equal to at least one-half the amount of the Maximum Contract Value for Base/Option [pick one] Term] for which payment well and truly to be made we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents. [If the amount initially bonded is less than the Maximum Contract Value for the Base/Option [pick one] Term, add the following: “Principal agrees to supplement this bond to equal the sum of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ dollars ($\_\_\_\_\_\_\_\_)”, [insert an amount equal to the Maximum Contract Value for the Base/Option [pick one] Term].

 THE CONDITION OF THIS OBLIGATION IS SUCH, that if Principal, or its heirs, executors, administrators, successors, or assigns approved by The Regents, or its subcontractors shall fail to pay any of the persons named in State of California Civil Code Section 9100, or amounts due under the State of California Unemployment Insurance Code with respect to work or labor performed under the Contract, or for any amounts required to be deducted, withheld, and paid over to the State of California Employment Development Department from the wages of employees of Principal and subcontractors pursuant to Section 13020 of the State of California Unemployment Insurance Code with respect to such work and labor, that Surety will pay for the same in an amount not exceeding the sum specified in this bond, otherwise the above obligation shall become and be null and void.

 This bond shall inure to the benefit of any of the persons named in State of California Civil Code Section 9100 as to give a right of action to such persons or their assigns in any suit brought upon this bond.

 Surety, for value received, hereby expressly agrees that no extension of time, change, modification, alteration, or addition to the undertakings, covenants, terms, conditions, and agreements of the above referenced Base/Option [pick one] Term of the Contract, or to the work to be performed thereunder, shall in any way affect the obligation of this bond; and it does hereby waive notice of any such extension of time, change, modification, alteration, or addition to the undertakings, covenants, terms, conditions, and agreements of the said Base/Option [pick one] Term of the Contract, or to the work to be performed thereunder.

 Surety's obligations hereunder are independent of the obligations of any other surety for the payment of claims of laborers, mechanics, material suppliers, and other persons in connection with the said Base/Option [pick one] Term of the Contract; and suit may be brought against Surety and such other sureties, jointly and severally, or against any one or more of them, or against less than all of them without impairing The Regents' rights against the other.

 In the event suit is brought upon this bond, the parties not prevailing in such suit shall pay reasonable attorneys' fees and costs incurred by the prevailing parties in such suit.

 Correspondence or claims relating to this bond shall be sent to Surety at the address set forth below.

 IN WITNESS WHEREOF, we have hereunto set our hands this day of , .

Principal:

 (Name of Firm)

By:

(Signature)

(Printed Name)

Title:

Surety:

 (Name of Firm)

By:

(Signature)

(Printed Name)

Title:

Address for Notices:

NOTE: Notary acknowledgement for Surety and Surety's Power of Attorney must be attached.