28.204 Alternatives in lieu of corporate or individual sureties.

(a) Any person required to furnish a *bond* to the Government *may* furnish any of the types of security listed in 28.204-1 through 28.204-3 instead of a corporate or individual *surety* for the *bond*. When any of those types of security are deposited, a statement *shall* be incorporated in the *bond* form pledging the security in lieu of execution of the *bond* form by corporate or individual *sureties*. The contractor *shall* execute the *bond* forms as the principal. Agencies *shall* establish safeguards to protect against loss of the security and *shall* return the security or its equivalent to the contractor when the *bond* obligation has ceased.

(b) Upon written request by any contractor securing a performance or payment *bond* by any of the types of security listed in 28.204-1 through 28.204-3, the *contracting officer may* release a portion of the security only when the conditions allowing the partial release of security in 28.203-3(c) are met. The contractor *shall*, as a condition of the partial release, furnish an affidavit agreeing that the release of such security does not relieve the contractor of its obligations under the *bond*(s).

(c) The contractor *may* satisfy a requirement for *bond* security by furnishing a combination of the types of security listed in 28.204-1 through 28.204-3 or a combination of *bonds* supported by these types of security and additional *surety bonds* under 28.202 or 28.203. During the period for which a *bond* supported by security is required, the contractor *may* substitute one type of security listed in 28.204-1 through 28.204-3 for another, or *may* substitute, in whole or combination, additional *surety bonds* under 28.202 or 28.203.

- **28.204-1 United States bonds or notes.**
- **28.204-2 Certified or cashier’s checks, bank drafts, money orders, or currency.**
- **28.204-3 Irrevocable letter of credit.**
- **28.204-4 Contract clause.**

Parent topic: Subpart 28.2 - Sureties and Other Security for Bonds