Subpart 528.1 - Bonds and Other Financial Protections

Parent topic: Part 528 - Bonds and Insurance

528.101 Bid guarantees.

528.101-1 Policy on use.

(a) **Construction contracts.** The bid guarantee requirements in FAR 28.101-1(a) apply to contracts over $150,000 awarded under Section 8(a) of the Small Business Act, as amended (15 U.S.C. 637(a)).

(b) **Building service contracts.** The contracting officer may require bid guarantees for building service contracts over $150,000 if it is determined under 528.103-2 that a performance bond is essential to protect the Government's interest.

(c) **All other contracts.** Refer to FAR 28.101 for guidance on the use of bid guarantees.

528.102 Performance and payment bonds and alternative payment protections for construction contracts.

528.102-1 General.

(a) The performance and payment bond requirements in FAR 28.102-1 apply to contracts over $150,000 awarded under Section 8(a) of the Small Business Act, as amended (15 U.S.C. 637(a)).

(b) The payment protection requirements in FAR 28.102-1(b) apply to contracts greater than $35,000, but not greater than the $150,000, awarded under Section 8(a) of the Small Business Act, as amended (15 U.S.C. 637(a)).

528.103 Performance and payment bonds for other than construction contracts.

528.103-2 Performance bonds.

(a) The contracting officer shall not require performance bonds for building service contracts unless a written determination is made explaining why the bond is essential to protect the Government’s interest and justifying the additional cost of the bonding requirement.

(b) The contracting officer may require a performance bond for building service contracts over $150,000 awarded under Section 8(a) of the Small Business Act as amended (15 U.S.C. 637(a)) if it
is determined under 528.103-2(a) that a performance bond is essential to protect the Government's interest.

(c) The contracting officer shall not require a performance bond for building service contracts awarded to workshops for the blind or other severely handicapped under the Javits-Wagner-O'Day Act, as amended (41 U.S.C. 8501-8506)

(d) Consider the circumstances and determine the penal amount of the performance bond on a case-by-case basis.

528.103-3 Payment bonds.

(a) The contracting officer may require payment bonds for other than construction contracts if the contracting director determines, under FAR 28.103-3, that such a requirement is in the Government’s interest.

(b) Consider the circumstances and determine the penal amount of the payment bond on a case-by-case basis.

528.106 Administration.

528.106-6 Furnishing information.

The HCA or designee performs the functions outlined in FAR 28.106-6(c).