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).