

# 52.228-16 Performance and Payment Bonds-Other Than Construction.

As prescribed in 28.103-4 , insert a clause *substantially as follows*:

Performance and Payment Bonds-Other Than *Construction* (Nov 2006)

(a) *Definitions*. As used in this clause-

"Original contract price" means the award price of the contract or, for requirements contracts, the price payable for the estimated quantity; or, for indefinite-quantity contracts, the price payable for the specified minimum quantity. Original contract price does not include the price of any *options*, except those *options* exercised at the time of contract award.

(b) The Contractor *shall* furnish a performance bond (Standard Form 1418) for the protection of the Government in an amount equal to \_\_\_\_\_ percent of the original contract price and a payment bond (Standard Form 1416) in an amount equal to \_\_\_\_\_ percent of the original contract price.

(c) The Contractor *shall* furnish all executed bonds, including any necessary reinsurance agreements, to the *Contracting Officer*, within \_\_\_\_\_ days, but in any event, before starting work.

(d) The Government *may* require additional performance and payment bond protection if the contract price is increased. The Government *may* secure the additional protection by directing the Contractor to increase the penal amount of the existing bonds or to obtain additional bonds.

(e) The bonds *shall* be in the form of firm commitment, supported by corporate *sureties* whose names appear on the list contained in Treasury Department Circular 570, individual *sureties*, or by other acceptable security such as postal money order, certified check, cashier's check, *irrevocable letter of credit*, or, in accordance with Treasury Department regulations, certain bonds or notes of the *United States*. Treasury Circular 570 is published in the *Federal Register*, or *may* be obtained from the:

U.S. Department of the Treasury,

Financial Management Service,

*Surety* Bond Branch,

3700 East West Highway,

Room 6 F01

Hyattsville, MD 20782.

Or via the internet at <http://www.fms.treas.gov/c570/>.

(End of clause)

*Alternate I* (July 2000). As prescribed in 28.103-4 , substitute the following paragraphs (b) and (d) for paragraphs (b) and (d) of the basic clause:

(b) The Contractor *shall* furnish a performance bond ([Standard Form 1418](#)) for the protection of the Government in an amount equal to \_\_\_\_\_ percent of the original contract price.

(d) The Government *may* require additional performance bond protection if the contract price is increased. The Government *may* secure the additional protection by directing the Contractor to increase the penal amount of the existing bond or to obtain an additional bond.

**Parent topic:** [52.228 \[Reserved\]](#)