

28.102-2 Amount required.

(a) *Definition.* As used in this subsection-

“Original contract price” means the award price of the contract; or, for requirements contracts, the price payable for the estimated total 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) Contracts exceeding \$150,000-

(1) *Performance bonds.* Unless the contracting officer determines that a lesser amount is adequate for the protection of the Government, the penal amount of performance bonds must equal-

- (i) 100 percent of the original contract price; and
- (ii) If the contract price increases, an additional amount equal to 100 percent of the increase.

(2) Payment bonds.

(i) Unless the contracting officer makes a written determination supported by specific findings that a payment bond in this amount is impractical, the amount of the payment bond must equal-

- (A) 100 percent of the original contract price; and
 - (B) If the contract price increases, an additional amount equal to 100 percent of the increase.
- (ii) The amount of the payment bond must be no less than the amount of the performance bond.

(c) *Contracts exceeding \$35,000 but not exceeding \$150,000.* Unless the contracting officer determines that a lesser amount is adequate for the protection of the Government, the penal amount of the payment bond or the amount of alternative payment protection must equal-

- (1) 100 percent of the original contract price; and

(2) If the contract price increases, an additional amount equal to 100 percent of the increase.

(d) *Securing additional payment protection.* If the contract price increases, the Government must secure any needed additional protection by directing the contractor to-

(1) Increase the penal sum of the existing bond;

(2) Obtain an additional bond; or

(3) Furnish additional alternative payment protection.

(e) *Reducing amounts.* The contracting officer may reduce the amount of security to support a bond, subject to the conditions of [28.203-5\(c\)](#) or [28.204\(b\)](#).

Parent topic: [28.102 Performance and payment bonds and alternative payment protections for construction contracts.](#)