

Bonding Requirements

- ✓ **Comply with the federal and State of Wisconsin bonding requirements for construction or facility improvement contracts and State of Wisconsin requirements for public improvement and public work contracts:**

Bid Bond:

For construction or facility improvement contracts with a cost above the federal simplified acquisition threshold, which is currently set at \$100,000 (*See* 41 USC §403(11) where the simplified acquisition threshold is fixed), the grantee should obtain a bid guarantee from each bidder equivalent to at least five percent of the price of the bid.

[\[34 CFR § 80.36\(h\)\]](#)

Performance Bond:

Under State and federal law, the contractor must execute a performance bond for 100 percent of the contract price if the contract price exceeds the simplified acquisition threshold.

[\[34 CFR § 80.36\(h\)\(2\)\]](#)

Payment Bond:

Under State and federal law, the contractor must execute a payment bond for 100 percent of the contract price if the contract price exceeds the simplified acquisition threshold.

[\[34 CFR § 80.36\(h\)\(3\)\]](#)

Neither the invitation for bids nor the person with the power to approve the prime contractor's bond may require the bond be furnished by a specified surety company, agent, or broker. The bond must be approved by the school district president and for any other public board by its presiding officer. No assignment, modification, or change of the contract or resulting change in work, or extension of time for contract completion may release the sureties on the bond.

[\[§779.14\(1m\)\(e\), Wis. Stats.\]](#)