

TENDER DOCUMENTS

SECTION 10 CONTRACT SECURITY CONDITIONS

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SECTION 10 CONTRACT SECURITY CONDITIONS

CS1 OBLIGATION TO PROVIDE CONTRACT SECURITY

- CS1.1 The **Contractor** shall, at the **Contractor's** own expense, provide one or more of the forms of Contract security prescribed in CS2 *Prescription of acceptable Contract security*.
- CS1.2 The security provided by the **Contractor** pursuant to CS1.1 shall be delivered to the Engineer within ten (10) days after the date that the **Contractor** receives the Notice of Contract award.

CS2 PRESCRIPTION OF ACCEPTABLE CONTRACT SECURITY

- CS2.1 The **Contractor** shall deliver to the Engineer pursuant to CS1 *Obligation to Provide Contract Security*:
- CS2.1.1 a performance bond and a labour and material payment bond each in an amount equal to at least 50% of the amount specified in the Notice of Contract Award; or
- CS2.1.2 a labour and material payment bond in an amount equal to at least 25% of the amount specified in the Notice of Contract Award, and a security deposit in an amount representing:
- CS2.1.2.1 at least 10% of the amount specified in the Notice of Contract Award if this amount does not exceed \$250,000; or
- CS2.1.2.2 \$25,000 plus 2.5% of the portion of the amount specified in the Notice of Contract Award that exceeds \$250,000; or
- CS2.1.3 a security deposit equal to the amount prescribed in subparagraph CS2.1.2 plus an additional amount equal to 5% of the amount specified in the Notice of Contract Award.
- CS2.2 The performance bond and the labour and material payment bond referred to in CS2.1 shall be in a form and be issued by a bonding or surety company that is approved by the **Owner**. The **Owner** requires federal bonds; standard bonds will not be accepted.
- CS2.3 A security deposit referred to in CS2.1.2 and CS2.1.3 shall be in the form of
- CS2.3.1 a certified cheque payable to the **Owner** and drawn on a member of the Canadian Payments Association or a local cooperative credit society that is a member of a central cooperative credit society having membership in the Canadian Payments Association; or
- CS2.3.2 bonds of or unconditionally guaranteed as to principal and interest by the Government of Canada.

- CS2.4 A bond referred to in CS2.3.2 shall be:
- CS2.4.1 payable to bearer,
 - CS2.4.2 accompanied by a duly executed instrument of transfer to the **Owner** in the form prescribed by the Domestic Bonds of Canada Regulations, or
 - CS2.4.3 registered as to principal or as to principal and interest in the name of the **Owner** pursuant to the *Domestic Bonds of Canada Regulations*.
 - CS2.4.4 provided on the basis of their market value current at the date of the Contract.

END OF SECTION