

Amendment No.

CHAMBER ACTION

Senate

House

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1 Representative Articles offered the following:

2
3 **Amendment (with title amendment)**

4 Between lines 1298 and 1299, insert:

5 Section 28. Paragraph (a) of subsection (1) of section
6 337.18, Florida Statutes, is amended to read:

7 337.18 Surety bonds for construction or maintenance
8 contracts; requirement with respect to contract award; bond
9 requirements; defaults; damage assessments.—

10 (1)(a) A surety bond shall be required of the successful
11 bidder in an amount equal to the awarded contract price.

12 However, the department may choose, in its discretion and
13 applicable only to multiyear maintenance contracts, to allow for

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14 incremental annual contract bonds that cumulatively total the
15 full, awarded, multiyear contract price.

16 1. The department may waive the requirement for all or a
17 portion of a surety bond if:

18 a. ~~For a project for which~~ The contract price is \$250,000
19 or less ~~and the department, the department may waive the~~
20 ~~requirement for all or a portion of a surety bond if it~~
21 determines the project is of a noncritical nature and
22 nonperformance will not endanger public health, safety, or
23 property;

24 b. The prime contractor is a qualified nonprofit agency
25 for the blind or for the other severely handicapped under s.
26 413.036(2); or

27 c. The prime contractor is using a subcontractor that is a
28 qualified nonprofit agency for the blind or for the other
29 severely handicapped under s. 413.036(2) but may not waive more
30 than the amount of the subcontract.

31 2. If the Secretary of Transportation or the secretary's
32 designee determines that it is in the best interests of the
33 department to reduce the bonding requirement for a project and
34 that to do so will not endanger public health, safety, or
35 property, the department may waive the requirement of a surety
36 bond in an amount equal to the awarded contract price for a
37 project having a contract price of \$250 million or more and, in
38 its place, may set a surety bond amount that is a portion of the
39 total contract price and provide an alternate means of security

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40 for the balance of the contract amount that is not covered by
41 the surety bond or provide for incremental surety bonding and
42 provide an alternate means of security for the balance of the
43 contract amount that is not covered by the surety bond. Such
44 alternative means of security may include letters of credit,
45 United States bonds and notes, parent company guarantees, and
46 cash collateral. The department may require alternate means of
47 security if a surety bond is waived. The surety on such bond
48 shall be a surety company authorized to do business in the
49 state. All bonds shall be payable to the department and
50 conditioned for the prompt, faithful, and efficient performance
51 of the contract according to plans and specifications and within
52 the time period specified, and for the prompt payment of all
53 persons defined in s. 713.01 furnishing labor, material,
54 equipment, and supplies for work provided in the contract;
55 however, whenever an improvement, demolition, or removal
56 contract price is \$25,000 or less, the security may, in the
57 discretion of the bidder, be in the form of a cashier's check,
58 bank money order of any state or national bank, certified check,
59 or postal money order. The department shall adopt rules to
60 implement this subsection. Such rules shall include provisions
61 under which the department shall refuse to accept bonds on
62 contracts when a surety wrongfully fails or refuses to settle or
63 provide a defense for claims or actions arising under a contract
64 for which the surety previously furnished a bond.

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T I T L E A M E N D M E N T

Between lines 93 and 94, insert:
amending s. 337.18, F.S.; authorizing the department
to waive a surety bond on certain contracts with
specified contractors;

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