

Non-salaried Expenditures**PERFORMANCE AND PAYMENT SECURITY, DECLINING A BID AWARD, AND BONDING COMPANY QUALIFICATIONS**

- I. Performance Security on Construction Bids and Awards
 - A. Bid Bond of five percent of the total bid amount is required.
 - B. Bid awards of \$200,000 or less shall be exempt from performance and payment security.
 - C. Bid awards exceeding \$200,000 require a 100 percent performance and payment security of the award amount.

- II. Performance Security on Awards Other than Construction
 - A. Bid awards of \$200,000 or less shall be exempt from performance and payment security.
 - B. Performance security shall not be required unless otherwise defined in the bid specification. Performance security shall equal 100 percent of the award amount.

Bid security is not required. However, a bidder who declines an award shall either (1) pay liquidated damages of five percent of the unit price bid times the quantity, or \$10, whichever is greater, or (2) lose eligibility to transact new business with the Board for a period of 14 months from the date the Board acts on the withdrawn bid.

A bidder who accepts an award but fails to perform shall either (1) pay liquidated damages of 10 percent of the unit price of the item(s) awarded times the quantity when no purchase order has been issued, 10 percent of the purchase order when a purchase order has been issued or \$100, whichever is greater, or (2) lose eligibility to transact new business with the Board for a period of 14 months from date of termination of award by the Board. The ineligibility shall be applicable to the principals individually and the entity, as well as any other firm in which a principal of a defaulting firm is a principal. If an awardee fails to pay the liquidated damages within 15 days after it is invoked, the awardee shall lose eligibility to transact new business with the Board for a period of 14 months from the date of termination of award by the Board. Bidders that are determined ineligible may request a hearing pursuant to 120.57, Fla. Stat., and School Board Rule 6Gx13-8C-1.064, Adjudicatory Proceedings. The Board reserves the right to waive liquidated damages/loss of eligibility.

Reinstatement of vendors losing eligibility to transact new business with the Board will not be automatic and will be subject to review by the Contractor=s

Responsibility Committee. Vendors will be required to submit a request for reinstatement including, but not limited to, information as to their status as a responsible vendor and what steps have been taken to avoid such a situation which caused their suspension as a Miami-Dade County Public Schools vendor. The Office of Procurement and Materials Management will notify the Board of all vendors denied reinstatement, and the reasons for denial.

For purposes of this rule principal is defined as an officer of a corporation, partner of a partnership, sole proprietor of a sole proprietorship, trustee of a trust, or any other person with similar supervisory functions with respect to any legally organized entity.

III. Bonding Company Qualifications

Bonds shall be written through a reputable and responsible surety bond agency licensed to do business in the State of Florida and with a surety company or corporation meeting both of the following specifications:

A. Awards Greater than \$500,000

1. A minimum rating in the latest revision of Best's Insurance Reports of:

Contract Amount	Minimum Rating by A.M. Best
\$200,000.00 to \$ 5,000,000	A, No Minimum Class
\$5,000,000.01 to \$ 10,000,000	A, Class IV
\$10,000,000.01 or more	A, Class V

2. Current certificate of authority as acceptable surety on Federal Bonds in accordance with the latest edition of the United States Treasury Department Circular 570 entitled "Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies" and shall be accepted for an amount not exceeding the underwriting limitation thereon.

B. Awards of \$500,000 or less

Bonds shall be written with a surety company or corporation meeting the qualifications as set forth in Paragraph A.2 above or the qualifications set forth in Section 287.0935, Florida Statutes.

Specific Authority: 230.22(2); 230.23(17) F.S.

Law Implemented, Interpreted, or Made Specific: 230.22(1); 230.23(10)(l); 230.23005(4); 235.31(1)(2); 235.32; 237.02; 255.05; 287.0935 F.S.; Chapter 6A-2, F.A.C.; Section 4.1(8), SREF (1997)

History: THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

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