



317554

LEGISLATIVE ACTION

Senate

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House

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The Committee on Appropriations (Hays) recommended the following:

**Senate Amendment (with title amendment)**

Between lines 1786 and 1787

insert:

Section 32. Paragraph (a) of subsection (1) of section 337.18, Florida Statutes, is amended to read:

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

(1) (a) A surety bond shall be required of the successful



317554

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  
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 for  
25 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); however, the  
30 department may not waive more than the amount of the  
31 subcontract.

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



317554

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

66  
67 ===== T I T L E   A M E N D M E N T =====

68 And the title is amended as follows:



317554

69           Delete line 197  
70 and insert:  
71           trails; amending s. 337.18, F.S.; authorizing the  
72           department to waive a surety bond on certain contracts  
73           with specified contractors; amending s. 338.165, F.S.;  
74           removing an option