

MEDFORD AREA PUBLIC SCHOOL DISTRICT

DATE ADOPTED: November 19, 1998

FILE SECTOR: FISCAL MANAGEMENT

DATE REVISED: January 19, 2004

**POLICY TITLE: PERFORMANCE BOND AND
ASSURANCE REQUIREMENTS**

The Medford Area Public School District may make direct purchases for materials for improvements or construction using Medford Area Public School District purchase orders. The cost of excludable services such as architects and design fees and materials purchased by the district shall be independent of any contract amount and shall not count against the project cost in determining compliance with Medford Area Public School District policies regarding payment and performance assurance requirements on projects.

- A. For public improvements or public works projects for which the district accepts a bid exceeding \$10,000, excluding direct purchase of materials costs and excludable services, the district may make direct payments to subcontractors or suppliers providing services and/or materials exceeding \$1,000 in value. (If direct payment is not made by the Medford Area Public School District, a performance assurance may be required by the district).
- B. For public improvements or public works projects for which the district accepts a bid exceeding \$30,000, excluding direct purchase of materials costs and excludable services, the district shall require the prime contractor to provide the district with a list of all subcontractors and suppliers providing services and/or materials for the project exceeding \$1,000 in value.
- C. For public improvements or public works projects for which the district accepts a bid exceeding \$10,000 but not exceeding \$50,000, excluding direct purchase of materials costs and excludable services, the district may require all prime contractors who have not successfully fulfilled a contract with the Medford Area Public School District within the past four years to obtain a payment and performance bond. If the prime contractor has successfully fulfilled a contract in the last four years, the Medford Area Public School District may, at its discretion, require or waive payment or performance assurances from prime contractors.
- D. For public improvements or public works projects for which the Medford Area Public School District accepts a bid exceeding \$50,000 but not exceeding \$100,000, the board of education reserves the right to accept an irrevocable letter of credit or an escrow account acceptable to the Medford Area Public School District in lieu of the prime contractor obtaining a payment or performance bond whenever the prime contractor has successfully fulfilled a contract with the Medford Area Public School District within the past four years.
- E. For public improvements or public works projects for which the Medford Area Public School District accepts a bid exceeding 100,000, excluding direct purchase materials costs and excludable services, the district shall require the prime contractor to obtain a payment and performance bond.

CROSS REFERENCE:

LEGAL REFERENCE: §779.14(1m), Wis. Stats.