

Sec. 7-8. Deposits, Bid Bonds, Performance and Payment Bonds.

- (a) When a bid deposit shall be required, whether by law or at the discretion of the CPO, it shall be so stated in the solicitation of bids, and the deposit shall be in a reasonable amount but not in excess of 5% of the total bid amount proposed. The bid deposit, when required, may be in the form of a money order, certified check drawn upon a banking institution in good standing and made payable to the order of the Board, a specific bond or a letter of credit. In lieu of submitting the bid deposit as herein above provided, a bidder may file with the Board an annual bid bond, the amount of which shall be determined by the CPO; provided, however, an annual bid bond shall not be accepted on bids for construction work, alterations, repairs to buildings and grounds, and student transportation matters. Such annual bid bond shall in no case be less than \$10,000 and shall cover all bids submitted by such bidder during the period of the bond. All bid bonds shall be signed by a responsible surety company licensed to do business in the State of Illinois.
- (b) All bid deposits accompanying a bid solicitation, except that of the successful bidder, shall be refunded or returned after the successful bidder has been determined and a contract has been awarded by the Board. The bid deposit of the successful bidder shall be returned after the full execution of the contract and the tendering of any payment and/or performance bond required under the contract. In case of a failure or refusal on the part of the selected bidder to execute a contract and tender a payment and/or performance bond, if required, within a reasonable period of time as determined by the CPO, the deposit of the selected bidder so failing or refusing may be forfeited and retained by the Board as liquidated damages and not as a penalty or, when a bid bond has been furnished in lieu of a deposit, the Board may take action on the bond.
- (c) A payment and performance bond shall be required for all building construction and building and grounds repair work, and student transportation matters. A payment and performance bond may also be required on any other purchases or contracts when specified by the CPO. When a payment and performance bond is required, it shall be stated in the solicitation of bids and requests for proposals and/or qualifications, and the bonds required shall be in an amount sufficient to ensure the fulfillment of the contract of the successful bidder/proposer. Such bonds shall be signed by a responsible surety company licensed to do business in the State of Illinois.