

Performance Bonds - Other Than Construction (Mar 2002)

(a) Definition. As used in this clause, "original subcontract price" means the award price of the subcontract. Original subcontract price does not include the price of any options, except those options exercised at the time of subcontract award.

(b) The Seller shall furnish a performance bond (either the Company form available at www.ornl.gov/Procurement/docindex.htm or Standard Form 1418 modified to name the Company as well as the United States as an obligee) in an amount equal to _____ percent of the original subcontract price.

(c) The Seller shall furnish all executed bonds, including any necessary reinsurance agreements, to the Company within the time specified in the solicitation, but in any event, before starting work.

(d) The Company may require additional performance bond protection if the subcontract price is increased. The Company may secure the additional protection by directing the Seller to increase the penal amount of the existing bond or to obtain an additional bond.

(e) The bonds shall be in the form of firm commitment, supported by corporate sureties whose names appear on the list contained in Treasury Department Circular 570, individual sureties, or by other acceptable security such as postal money order, certified check, cashier's check, irrevocable letter of credit, or, in accordance with Treasury Department regulations, certain bonds or notes of the United States. Treasury Circular 570 is available at <http://fms.treas.gov/c570/c570.html>.

(End of clause)