



DEPARTMENT OF
GENERAL SERVICES

DIVISION OF ENGINEERING AND BUILDINGS

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DEB Notice 121312

(Effective: 12/13/2012)

Bonds / Commonwealth Self-Bonding Program

I. Purpose of this Notice:

The purpose of this notice is to clarify requirements for project bonds.

II. Related Construction & Professional Services Manual (CPSM) Revisions:

Replace Section 7.1.9 of the 2012 Edition of the CPSM, dated September 15, 2012, in its entirety as follows:

7.1.9 Bonds / Commonwealth Self-Bonding Program

7.1.9.1 Bid Bond

For contracts with a value of \$100,000 or less, when Bid Bonds are not required by the Invitation for Bid or Request for Proposal, the Owner may require prospective contractors to be prequalified. For contracts with a value of more than \$100,000 but less than \$500,000, when Bid Bonds are not required by the Invitation for Bid or Request for Proposal, prospective contractors shall be prequalified. In no case shall bonding requirements be waived for projects with a value of \$500,000 or more.

7.1.9.2 Performance Bond and Labor and Materials Payment Bond

For contracts with a value of less than \$500,000, agencies should consider waiving the Performance Bonds and Labor and Materials Payment Bonds when the agency determines that the risk is acceptable. For contracts with a value of less than \$500,000, when Performance Bonds and Labor and Materials Payment Bonds are required by the Invitation for Bid or Request for Proposal, there are two methods to obtain these bonds - Commonwealth Self-Bonding Program or Standard Bonds. For bidders who have been prequalified in accord with the Commonwealth Self-Bonding Program, the Owner may at their sole discretion obtain the bonds through this program. All other contractors shall provide the Owner with Standard Bonds or Alternative Forms of Security in accord with §2.2-4338. In no case shall bonding requirements be waived for projects with a value of \$500,000 or more.

7.1.9.3 Commonwealth Self-Bonding Program

The Commonwealth's Self-Bonding Risk Management Program for Small Construction Projects (aka, Self-Bonding Program) was developed by the Department of the Treasury's Division of Risk Management in conjunction with the Department of General Services' Division of Engineering & Buildings. This program was developed to address the mandates of the following sections of the [Code of Virginia](#): § 2.2-1839, § 2.2-4336, § 2.2-4337, and § 33.1-12. The current procedures describing the Self-Bonding Program are available for view and download from the [DEB website](#). [Form, CO-16, Attachment Two \(DGS-30-174\)](#), requests additional financial and insurance data from contractors seeking to prequalify for self-bonded projects.