

Exhibit E
VA Bonding Clause
RLP No. VA-101-12-I-0168

BID BOND

To assure the faithful execution of the terms and conditions of the agreement, each Offeror shall submit a Bid Bond with their initial offer. Offers without Bid Bonds will not be considered. The Bond shall remain in effect until a Performance Bond becomes effective should the Offeror be successful, or until VA has notified the Offeror that his proposal is no longer under consideration by VA. A surety company holding a certificate of authority from the Secretary of the Treasury as acceptable surety will execute the Bond. A verifax or other facsimile copy of the agent's authority to sign bonds for the Surety Company shall accompany the Bond. The Offeror shall furnish a proposal guarantee in the form of a Bid Bond supported by good and sufficient surety acceptable to the Government. The amount of the Bid Bond guarantee shall be in the amount of \$100,000.00. Acceptable alternate bonding protection will be in accordance with FAR 28.204-1 United States Bonds or Notes, or FAR 28.204-3 Irrevocable Letter of Credit (ILC). Invalid bonds may be grounds to render your proposal non-responsive and will not be eligible for an award. Once an award has been made all original Bid Bonds will be returned, except for the successful Offeror whose Bid Bond will be required to remain in full force until such time as a Performance Bond has been received and accepted by the Government.

PERFORMANCE AND PAYMENT BONDS – CONSTRUCTION (NOV 2006)

(a) Definitions. As used in this clause—

“Original contract price” means the award price of the contract; or, for requirements contracts, the price payable for the estimated total quantity; or, for indefinite-quantity contracts, the price payable for the specified minimum quantity. Original contract price does not include the price of any options, except those options exercised at the time of contract award.

(b) Amount of required bonds. Unless the resulting contract price is \$100,000 or less, the successful offeror shall furnish performance and payment bonds to the Contracting Officer as follows:

(1) *Payment Bonds* ([Standard Form 25A](#)). To assure faithful payment to subcontractors and material suppliers, a surety bond is required by the Offeror to guaranty that his subcontractors and material suppliers on the project will be paid. The penal amount of payment bonds at the time of contract award shall be 100 percent of the original contract (**construction**) price no later than 60 days from VA's final review and written approval of the completed construction documents. The Payment Bond shall remain in effect until the Government accepts the space for occupancy. The United States of America, acting through the Secretary of the Department of Veterans Affairs, shall be named as co-beneficiary on the Bond obtained by the Offeror.

(2) *Performance Bonds* ([Standard Form 25](#)). To assure faithful execution of the contract, the successful Offeror shall provide a Performance Bond for 100% of the Total Project Cost as shown in the Offeror's Schedule D no later than thirty (30) days after the date of lease award. The Performance Bond shall remain in effect until it is amended or replaced as set forth in Paragraph (3) below. The United States of

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America, acting through the Secretary of the Department of Veterans Affairs, shall be named as co-beneficiary on the Bond obtained by the Offeror.

(3) *Performance Bonds after 100% Construction Drawings.* The successful Offeror shall provide an amended or replacement Performance Bond for 100% of the actual construction cost, based on the completed construction documents, no later than 60 days of VA's final review and written approval of the completed construction documents. The amended or replacement Performance Bond shall remain in effect until the Government accepts the space for occupancy. The United States of America, acting through the Secretary of the Department of Veterans Affairs, shall be named as co-beneficiary on the Bond obtained by the Offeror.

(4) Additional bond protection.

(i) The Government may require additional performance and payment bond protection if the contract price is increased. The increase in protection generally will equal 100 percent of the increase in contract price.

(ii) The Government may secure the additional protection by **directing the Contractor to obtain an additional bond for the increased amount.**

(c) *Furnishing executed bonds.* The Contractor shall furnish all executed bonds, including any necessary reinsurance agreements, to the Contracting Officer, within the time period specified in the Bid Guarantee provision of the solicitation, or otherwise specified by the Contracting Officer, but in any event, before starting work.

(d) *Surety or other security for bonds.* 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 published in the *Federal Register* or may be obtained from the:

U.S. Department of the Treasury
Financial Management Service
Surety Bond Branch
3700 East West Highway, Room 6F01
Hyattsville, MD 20782.
Or via the internet at <http://www.fms.treas.gov/c570/>.

(e) *Notice of subcontractor waiver of protection (40 U.S.C. 3133(c)).* Any waiver of the right to sue on the payment bond is void unless it is in writing, signed by the person whose right is waived, and executed after such person has first furnished labor or material for use in the performance of the contract.