

POLICY CONCEPT FORM

Name and UO Title/Affiliation:	Darin Dehle, Director of Capital Construction Kassy Fisher, Chief of Staff and Associate Vice President for Campus Services
Policy Title/# (if applicable):	Capital Construction and Contracting, OAR Chapter 580 Division 63
Submitted on Behalf Of:	Jamie Moffitt, Vice President for Finance and Administration
Responsible Executive Officer:	Jamie Moffitt, Vice President for Finance and Administration

SELECT ONE: New Policy Revision Repeal

Click the box to select

HAS THE OFFICE OF GENERAL COUNSEL REVIEWED THIS CONCEPT: Yes No

If yes, which attorney(s): Craig Ashford

GENERAL SUBJECT MATTER

Include the policy name and number of any existing policies associated with this concept.

The current Capital Construction and Contracting policy establishes procedure to erect, improve, repair, maintain, equip, and furnish buildings and structures; authorization to undertake projects; methods used for procurement of related goods and services; contract procedures; and design standards.

RELATED STATUTES, REGULATIONS, POLICIES, ETC.

List known statutes, regulations, policies (including unit level policies), or similar related to or impacted by the concept. Include hyperlinks where possible, excerpts when practical (e.g. a short statute), or attachments if necessary. Examples: statute that negates the need for or requires updates to an existing policy; unit level policy(ies) proposed for University-wide enactment; or existing policies used in a new, merged and updated policy.

Purchasing and Contracts for Personal or Professional Services and Goods and Services

<https://policies.uoregon.edu/purchasing-and-contracts-personal-or-professional-services-and-goods-and-services>

Equity Contracting, Purchasing, and Data Reporting Procedures

<https://policies.uoregon.edu/vol-4-finance-administration-infrastructure/ch-9-purchasing-contracting/equity-contracting>

OUS Procurement and Contracting Code

<https://policies.uoregon.edu/ous-procurement-and-contracting-code>

STATEMENT OF NEED

What does this concept accomplish and why is it necessary?

Our revised policy establishes general framework for controls associated with the development of Capital Projects. UO’s definition for policy excludes internal procedures, so the procedure elements from the original OAR are moved to a separate procedures document which will be housed on the Campus Planning and Facilities Management website.

AFFECTED PARTIES

Who is impacted by this change, and how?

All campus departments undertaking construction, renovation, remodels, etc.

CONSULTED STAKEHOLDERS

Which offices/departments have reviewed your concept and are they confirmed as supportive? (Please do not provide a list of every individual consulted. Remain focused on stakeholders (e.g. ASUO, Office of the Provost, Registrar, Title IX Coordinator, etc.).)

Name	Office	Date
Craig Ashford	On behalf of General Counsel and Purchasing & Contracting Services	Fall 2018
Jamie Moffitt	Vice President Finance & Administration	Fall 2018
Michael Harwood	Associate Vice President for Campus Planning and Facilities Management	Fall 2018

NOTE: The proposed changes are substantial. Thus, for easier review, we have provided the proposed language *not* in redline form but as the attached policy with the "PROPOSED" watermark. The existing policy, for comparison purposes, is provided in this packet after the proposal; it contains the "EXISTING" watermark.

Reason for Policy

~~Establishes general framework for controls associated with the development of capital projects. This policy outlines matters pertaining to contracting related to University capital construction projects.~~

Entities Affected by this Policy

~~All campus departments undertaking construction, renovation, remodels, etc.~~

~~Finance & Administration; Campus Planning, Design and Construction; all campus entities or business units engaged in purchasing, contracting or procurement.~~

Web Site Address for this Policy

<http://policies.uoregon.edu/capital-construction-and-contracting>

~~(Will be updated upon approval)~~

Responsible Office

For questions about this policy, please contact ~~Campus Planning Design and Construction at (541) 346-2270 or capcon@uoregon.edu.~~

~~Campus Planning, Design and Construction at 541-346-5562 or Purchasing and Contracting Services at 541-346-2416.~~

Enactment & Revision History

~~To be updated upon revision.~~

Technical revisions enacted by the University Secretary on September 3, 2015.

Became a University of Oregon Policy by operation of law on July 1, 2014.

Former Oregon Administrative Rule Chapter 580 Division 63.

Policy

{Editor's Note: Because the changes are nearly a wholesale rewrite and reorganization, particularly given the change in laws and governing statutes, we have simply provided the new text not in redline form below. The existing policy (which would be supplanted) is pasted below that.}

NEW Policy

1. Construction and Contracting Authority
 - a. This policy establishes the structure for procedures that define the Construction and Contracting Authority that will be followed by the University of Oregon to erect, improve, repair, maintain, equip, and furnish buildings and structures.
 - b. Much of the University's capital construction and contracting activities are regulated by federal, state, and local law, the University's Board of Trustees, restricted gifts, and other controls. The University's capital construction and contracting activities shall comply with these regulations as stated in this policy.
2. Federal and State Law
 - a. The University shall follow all federal laws associated with capital construction and contracting. This includes, but is not limited to, any applicable federal law pertaining to the use of federal funds in capital construction and contracting and the use of tax-exempt bond proceeds.
 - b. The University shall follow all state laws associated with capital construction and contracting. This includes, but is not limited to, any applicable state law pertaining to the use of state funds in capital construction and contracting, prevailing wage, competitive procurement and bidding, and construction standards and the use of state-issued bond proceeds.
 - c. In the event that any federal or state statute, regulation, administrative rules, or other law, or any local law applicable to a public university, conflicts with the terms of the policy or associated procedures, such law supersedes the terms of this policy or associated procedures.
3. Legislative, Board, and Gifted Fund Spending Authorization
 - a. The University shall follow all statutes, regulations, administrative rules, or other law associated with spending authorization requirements established and restrictions imposed by the State of Oregon for legislatively authorized funds for capital construction and contracting.
 - b. The University shall follow all policies and procedures established and abide by all restrictions imposed by the University's Board of Trustees associated with

capital construction and contracting, including, but not limited to, spending authorization approval requirements.

- c. The University shall abide by all restrictions imposed on the use of funds conditionally gifted to and accepted by the University for use in capital construction and contracting.
4. Contracting Procurement and Practices
 - a. The University will prepare, maintain, and abide by procedures for capital construction and contracting that promote best value and best practice approaches including the use of varying design and construction strategies appropriately tailored to each specific capital construction project. These procedures must support the University's mission and promote the prudent use of University resources.
 - b. The University will prepare, maintain, and abide by procedures for capital construction and contracting that protect and enforce the University's high ethical standards in context with best practices in the capital construction and contracting industry.
 - c. The University will choose among varied capital construction, contracting, and consulting methods to be responsive to the individual needs of each project to maximize the University's ability to obtain best value and quality for each project.
 - d. The University will maintain capital construction and contracting procurement procedures that promote competition, stimulate and support economic growth across the industry, and promote the participation and growth of diversity within the industry through the proactive engagement of emerging businesses and businesses owned by traditionally underrepresented individuals.
 - e. The University will maintain capital construction and contracting procurement procedures that are tailored to Oregon's and local community's market environment and in accordance with principles of prudent stewardship of public resources required of Oregon public entities.
 5. Design and Construction Planning Procedures and Design Standards
 - a. The University will prepare, maintain, and abide by procedures and design standards that maintain a high-quality campus environment and emphasize long-term master planning strategies.
 - b. The University will prepare, maintain, and abide by procedures and design standards that establish appropriate life cycle cost considerations that promote long-term fiscal responsibility.

- c. The University will prepare, maintain, and abide by procedures and design and construction standards that promote the use of construction techniques and systems that result in long-term, fiscally responsible construction practices.
6. Procedure Update Process
- a. Capital construction and contracting procedures identified within and prepared and maintained in accordance with this policy will be subject to change from time to time to respond to the changing environment of the construction industry, economic necessity, industry recognized best practices, and best value needs identified by the University.
 - b. Except for typographical or similar technical revisions, the University will not change any capital construction and contracting procedures identified within and prepared and maintained in accordance with this policy until it has conducted a public consultation process.
 - c. This public consultation process shall include a public review and comment period of no less than two weeks. The University increase the length of the public review and comment period as the level of impact of the proposed changes increase. Public review and comment periods will be preceded by a public notice delivered by a reasonable and effective method intended to notify the greatest number of interested members of the public. The University will also publish an informational notice of the proposed changes and the public review and comment period on the UO Business Opportunities Website. Comments will be submitted through established e-mail and web form methods during the review and comment period.
 - d. The University will hold a public meeting within one week of the close of the public review and comment period. If weather, holiday, or other circumstances delay the meeting, the meeting will be held as soon as practicable after the end of the delay. The University will conduct the meeting as an opportunity for discussion of the proposed procedural changes. The University will present the submitted public comments and the University's response to the comments and will seek additional input from those attending the meeting.
 - e. After holding its public meeting, the University may change the procedures included in its public notice. The University will modify its proposed changes to incorporate the substance of public comments to the extent prudent and practicable. The University will then publish the revised procedures on the appropriate University website.

Reason for Policy

This policy outlines matters pertaining to contracting related to University capital construction projects.

Entities Affected by this Policy

Finance & Administration; Campus Planning, Design and Construction; all campus entities or business units engaged in purchasing, contracting or procurement.

Web Site Address for this Policy

<http://policies.uoregon.edu/capital-construction-and-contracting>

Responsible Office

For questions about this policy, please contact Campus Planning, Design and Construction at 541-346-5562 or Purchasing and Contracting Services at 541-346-2416.

Enactment & Revision History

Technical revisions enacted by the University Secretary on September 3, 2015.

Became a University of Oregon Policy by operation of law on July 1, 2014.

Former Oregon Administrative Rule Chapter 580 Division 63.

Policy

A. Authority

This Policy establishes the procedures that will be followed by the University of Oregon (University) to erect, improve, repair, maintain, equip, and furnish buildings and structures under the control of the Board of Trustees (Board).

B. Authorization to Undertake Capital Construction Projects

Before an Institution contracts for Capital Construction on land owned or controlled by the Board, or prepares other than conceptual plans or preconstruction design, the Institution will obtain approval as set out in this rule, regardless of the source of funds or method by which the

project is to be financed. To obtain approval, the Institution will describe the project, the financing plan for design and construction, and the operation and maintenance cost of the proposed project.

(1) If appropriate Systemwide limitation exists for a Capital Construction project that totals \$500,000 or more but less than \$5 million, inclusive of all fund sources, the Chancellor or designee may approve the allocation of the existing expenditure authority to the Institution.

(2) Any Capital Construction project that does not meet the criteria in subsection (1) of this section shall be approved by the Finance and Administration Committee of the Board and submitted to the Legislature.

C. Definitions

All capitalized terms in this policy, have the meanings set forth in UO Policy 580.061(B) unless set forth below, or unless the context requires otherwise or except as stated.

(1) "Construction-Related Services" means one or more related services, which includes, but is not limited to: finance, design, preconstruction, and construction services. The project delivery methods that use Construction-Related Services include, but are not limited to: conventional construction services, design-build, construction manager at risk, agency construction management, and performance contracting.

(2) "Professional Consultant" means architects, engineers, planners, land surveyors, appraisers, construction managers, and similar professional consultants.

(3) "Capital Construction" means any construction or facility improvement that costs \$500,000 or more and is not considered maintenance or repair.

D. Procurement and Contracting Procedures

The procedures set out in UO Policies IV.09.02 and 580.061 will be used for the procurement of Construction-Related Services and Professional Consultants.

E. Methods of Procurement

The University will use the following methods of procurement when procuring Professional Consultant services, Construction-Related Services, or a combination of Professional Consultant services and Construction-Related Services.

(1) Direct Procurement. A process where the University negotiates directly with a single Entity to provide Professional Consultant services, Construction-Related Services, or a combination of Professional Consultant services and Construction-Related Services.

(2) Informal Procurement. A competitive process where the University posts an advertisement of the opportunity on the University procurement website for a reasonable time necessary to obtain at least three Bids or Proposals. The University may also directly contact prospective Bidders or Proposers. If the notice has been posted for a reasonable time period and fewer than three Bids or Proposals have been submitted, the University may enter into a Contract with a Responsible Bidder or Proposer based on the Specifications contained in the Solicitation Document.

(3) Formal Procurement. A Competitive Process where the University:

(a) Creates a Solicitation Document that contains the procurement procedures and necessary Specifications.

(b) Publishes a notice of the procurement on the University procurement website and, if beneficial to the procurement, in a trade periodical, newspaper of general circulation, or other minority, women, and emerging small business targeted periodicals, University website, or other medium for advertising. The notice must specify when and where the Solicitation Document may be obtained and the Closing Date/Time. The notice must be published for a duration reasonable under the circumstances for the procurement.

(c) Conducts the procurement in accordance with UO Policies IV.09.02 and 580.061.

(4) Emergency Procurement. The President, or designee may declare an Emergency when such a declaration is deemed appropriate. The reasons for the declaration will be documented and will include justifications for the procedure used to select the Contractor or Professional Consultant for a Contract or Public Improvement Contract within the scope of the Emergency declaration. After the President or designee has declared an Emergency, the University may negotiate a Contract or Public Improvement Contract with any qualified Entity or Professional Consultant for services included in the scope of the Emergency declaration. The University will maintain appropriate records of negotiations carried out as part of the contracting process.

(5) University Retainer Contract Program.

(a) The University Capital Construction and Planning Office will maintain Retainer Contracts for Professional Consultants, Construction-Related Services, and any other service that may from time to time benefit the University. The Retainer Contracts will be established in accordance with this subsection.

(A) Periodically, but no less often than every two years, Campus Planning, Design and Construction will invite interested Contractors to submit business information that meets minimum qualifications as described in a Solicitation Document. Contractors that meet the minimum qualifications and have not been disbarred or disqualified by an agency of the State of Oregon as outlined in UO Policy 580.061(FF), may be offered a Retainer Contract to be listed

on the respective retainer program to provide services in a non-exclusive and on an as-needed basis.

(B) Notice of the procurement will be published on the University procurement website and, if beneficial to the procurement, in a trade periodical, newspaper of general circulation, or other minority, women, and emerging small business targeted periodicals, University website, or other medium for advertisement.

(b) The University Capital Construction and Planning Office may enter into interagency agreements to permit other public agencies to utilize the services offered by Entities that have entered into Retainer Contracts if the public agency agrees to conditions, including but not limited to:

(A) Follow the procurement processes established in this policy.

(B) Use the contract templates associated with each retainer program.

(C) Any service procured will be the sole financial responsibility of the public agency.

(D) The public agency will be solely liable to resolve all disputes that may arise from breach of contract.

(E) The University Capital Construction, Planning, and Budget Office may impose a reasonable administrative fee on the public agency using the Retainer Contracts based on the compensation for services procured to recover administrative costs, legal review fees, and to improve or expand retainer programs.

(c) The University Capital Construction, Planning, and Budget Office will maintain an electronic roster of all Professional Consultants and Contractors who have entered into Retainer Contracts. When utilizing a retainer program, the University will follow the procedures established in this policy and will only execute contracts from templates that have been approved for each respective retainer program.

(6) Sole Source. A process where the President or designee has made a Written determination that due to special needs, experience, or qualifications, only a Single Seller is reasonably available to provide certain Professional Consultant services, Construction-Related Services, or a combination of Professional Consultant services and Construction-Related Services. Sole source procurement will be avoided except when no reasonably available alternative source exists.

(a) Authority. Institutions may authorize sole source procurements up to \$1,000,000 cumulative for all Institution projects throughout a fiscal year. The Chancellor or designee may authorize sole source procurements up to \$5,000,000 cumulative for each Institution's projects

throughout a fiscal year. The Finance and Administration Committee of the Board will approve all other sole source procurements.

(b) The University will provide public notice of its determination that the Professional Consultant services, Construction-Related Services, or combination of Professional Consultant services and Construction-Related Services are only available from a Single Seller. Public notice may be provided on the University procurement website. The public notice will describe the Professional Consultant services, Construction-Related Services, or combination of Professional Consultant services and Construction-Related Services to be acquired from the Single Seller, identify the prospective Professional Consultant or Contractor, and include the date, time and place that protests are due. The University shall give Entities at least seven (7) Days from the date of notice publication to protest the sole source determination.

(c) On an annual basis, the President or his/her designee will submit a report to the Finance and Facilities Committee of the Board summarizing approved sole source procurements for the University for the prior fiscal year. The report will be made available for public inspection.

(7)(a) Special Procurement.

(b) A special procurement is an exemption from competitive procedures that the Finance and Facilities Committee of the Board determines is appropriate because it:

(A) Is reasonably expected to result in substantial cost savings to the University or to the public; or

(B) Otherwise substantially promotes the public interest in a manner that could not practicably be realized by complying with others processes described in this policy.

F. Contracts for Professional Consultants

The University will use one of the following two procedures when contracting for Professional Consultant services:

(1) University Capital Construction Retainer Program for Professional Consultants.

(a) For Professional Consultant service contracts where the anticipated Contract Price, including consultant fees, reimbursable expenses, and all amendments contemplated by the parties is \$100,000 or less, the University may select a Professional Consultant that has entered into a Retainer Contract.

(b) For Professional Consultant service contracts where the anticipated Contract Price, including consultant fees, reimbursable expenses, and all amendments contemplated by the parties is \$100,000.01 to \$250,000, the University must select at least three Professional Consultants who have entered into Retainer Contracts to provide proposals for the service. Selection of a

Professional Consultant from submitted proposals will be based on the criteria set forth in the Solicitation Document. In the event that fewer than three Professional Consultants are on the retainer that can provide the required service, the University may proceed with fewer than three Bids or Proposals.

(c) For Professional Consultant service contracts where the anticipated Contract Price, including consultant fees, reimbursable expenses, and all amendments contemplated by the parties is \$250,000.01 to \$1,000,000, the University will post an advertisement of the opportunity on the University procurement website. All eligible Professional Consultants that have entered into Retainer Contracts will have an opportunity to submit a proposal in response to the opportunity. Selection of a Professional Consultant from submitted proposals will be based on the criteria set forth in the Solicitation Document.

(2) Standard Procurement. Except in cases of Emergency, Special Procurement, or when only a Single Seller is reasonably available, when procuring Professional Consultant services, The University will conduct the procurement in accordance with the Direct Procurement, Informal Procurement, or Formal Procurement method, unless another method is applicable, based on the anticipated Contract Price, including consultant fees, reimbursable expenses, and all amendments contemplated by the parties. Multiple Contracts, purchase orders, or purchasing requisitions will not be issued separately with the intent to circumvent this policy.

(a) \$25,000 or less — Direct Procurement or other method of procurement that the University deems beneficial to the procurement.

(b) \$25,000.01 to \$100,000 — Informal Procurement, Formal Procurement, or other method of procurement, except the Direct Procurement method, that the University deems beneficial to the procurement.

(c) Greater than \$100,000 — Formal Procurement or other method of procurement, except the Direct Procurement or Informal Procurement methods, that the University deems beneficial to the procurement.

G. Contracts for Construction-Related Services

The University will use one of the following procedures when procuring Construction-Related Services for a Contract or Public Improvement Contract:

(1) University Capital Construction Retainer Program for Construction-Related Services.

(a) For Construction-Related Services Contracts or Public Improvement Contracts where the anticipated Contract Price, including reimbursable expenses and all Change Orders contemplated by the parties is \$50,000 or less, the University may select a Contractor that has entered into a Retainer Contract.

(b) For Construction-Related Services Contracts or Public Improvement Contracts where the anticipated Contract Price, including reimbursable expenses and all Change Orders contemplated by the parties is \$50,000.01 to \$500,000, the University must select at least three Contractors that have entered into Retainer Contracts to provide Bids or Proposals for the service. Selection of a Contractor from submitted Bids or Proposals will be based on the criteria set forth in the Solicitation Document. In the event that fewer than three Contractors are on the retainer that can provide the required service, the University may proceed with fewer than three Bids or Proposals.

(c) For Construction-Related Services Contracts or Public Improvement Contracts where the anticipated Contract Price, including reimbursable expenses and all Change Orders contemplated by the parties is \$500,000.01 to \$1,000,000, the University will post an advertisement of the opportunity on the University procurement website. All eligible Contractors that have entered into Retainer Contracts will have an opportunity to submit a Bid or Proposal in response to the opportunity. Selection of a Contractor from submitted Bids or Proposals will be based on the criteria set forth in the Solicitation Document.

(2) Standard Procurement. Except in cases of Emergency, Special Procurement, or when only a Single Seller is reasonably available, when procuring Construction-Related Services, the University will conduct the procurement in accordance with the Direct Procurement, Informal Procurement, or Formal Procurement method, unless another method is applicable, based on the anticipated Contract Price, including reimbursable expenses and all Change Orders contemplated by the parties. Multiple Contracts, purchase orders, or purchasing requisitions will not be issued separately with the intent to circumvent this policy.

(a) \$25,000 or less — Direct Procurement or other method of procurement that the University deems beneficial to the procurement.

(b) \$25,000.01 to \$100,000 — Informal Procurement, Formal Procurement, or other method of procurement, except the Direct Procurement method, that the University deems beneficial to the procurement.

(c) Greater than \$100,000 — Formal Procurement or other method of procurement, except the Direct Procurement or Informal Procurement methods, that the University deems beneficial to the procurement.

(3) In accordance with ORS 279C.800 et seq, projects having a total Contract Price more than \$50,000, or on a project where the combined Contract Price of all contracts awarded on the project is more than \$50,000, will be subject to the Bureau of Labor and Industries Prevailing Wage Laws. Projects may not be divided into more than one Contract to avoid the application of this subsection. Projects funded in part or wholly by federal funds will comply with the higher of the state or federal prevailing rate of wage.

(4) No Contract will be awarded to any construction firm that is not licensed to do business in the State of Oregon, not registered or licensed by the appropriate state licensing boards, or listed as ineligible to enter into Contracts or Public Improvement Contracts by the Bureau of Labor and Industries.

(5) Contractors will post and maintain performance and payment bonds as required in the Solicitation Document. For Public Improvement Contracts with a total Contract Price in excess of \$100,000, one hundred percent performance and payment bonds will be required.

H. Oregon's Percent for Art

The "Percent for Art" legislation governed by ORS 276.073 through 276.090, guides the acquisition of Oregon's state art collection. For acquisition of art work in applicable state buildings, this program sets aside no less than 1 percent of the construction funds of buildings with a construction budget of \$100,000 or more. The University will be responsible to ensure compliance with the "Percent for Art" for applicable projects.

I. Design Standards

All major facility projects will be planned, designed, constructed, and renovated to meet high performance building standards for energy efficiency and environmental sustainability as defined by the Department of Energy and the State of Oregon.

(1) State Energy Efficiency Design is the policy of the State of Oregon that facilities to be constructed or purchased by authorized state agencies be designed, constructed, renovated, and operated so as to minimize the use of nonrenewable energy resources and to serve as models of energy efficiency per ORS 276.900 through 276.915.

(2) Green building design and construction is an integral part of University Capital Construction. University projects should consider design standards that incorporate the 'Leadership in Energy & Environmental Design' (LEED) Silver standards or higher standards, which promote buildings that significantly reduce or eliminate the negative impact of buildings on the environment and occupants.

J. Retainage Processing Charges

(1) The University may require a retainage for Construction-Related Services Contracts under \$1,000,000. For Construction-Related Services Contracts over \$1,000,000, the University will withhold a retainage.

(2) The University will not retain an amount in excess of five percent (5 percent) of the Contract Price for Work completed. If the Contractor has performed at least fifty percent (50 percent) of the Work and is progressing satisfactorily, upon the Contractor's submission of Written application containing the surety's written approval, the University may, in its discretion,

reduce or eliminate retainage on any remaining progress payments. The University will respond in Writing to all such applications within a reasonable time. When the Work is ninety-seven and a half percent (97.5 percent) completed, the University may, at its discretion and without application by the Contractor, reduce the retained amount to one hundred percent (100 percent) of the value of the remaining unperformed Work. The University may at any time reinstate retainage. Retainage will be included in the final payment of the Contract Price.

(3) For Construction-Related Services Contracts over \$1,000,000 the Contractor may request that the retainage be deposited in an interest-bearing account at a financial institution. Title to such funds will remain with the Board until the Work is complete and accepted by the University. Interest on deposited retainage accrues to the benefit of the Contractor and will remain in the retainage account until the Work is accepted. The University may deduct fees necessary to open and maintain an interest-bearing account.

(4) Alternatives to cash retainage. In lieu of cash retainage to be held by the University or financial institution, the Contractor may substitute one of the following:

(a) Deposit of securities:

(A) The Contractor may deposit bonds or securities with the University or in any bank or trust company to be held for the benefit of the University. In such event, the University will reduce the retainage by an amount equal to the value of the bonds and securities, and reimburse the excess to the Contractor.

(B) Bonds and securities deposited or acquired in lieu of retainage will be of a character approved by the Controller's Office, including but not limited to:

(i) Bills, certificates, notes, or bonds of the United States.

(ii) Other obligations of the United States or its agencies.

(iii) Obligations of any corporation wholly owned by the federal government.

(iv) Indebtedness of the Federal National Mortgage Association.

(C) Upon the University's determination that all requirements for the protection of the Institution's interests have been fulfilled, it will release to the Contractor all bonds and securities deposited in lieu of retainage.

(b) Deposit of surety bond. The University, at its discretion, may allow the Contractor to deposit a surety bond in a form acceptable to the Institution in lieu of all or a portion of funds retained or to be retained. A Contractor depositing such a bond will accept surety bonds from its subcontractors and suppliers in lieu of retainage. In such cases, retainage will be reduced by an amount equal to the value of the bond and the excess will be reimbursed to the Contractor.

(5) The University will recover from the Contractor all costs incurred in the proper handling of cash retainage and securities, by reduction of the final Contract payment.

Related Resources

N/A

EXISTING