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Performance Bond Requirements/Procedure

In accordance with City of Chandler Code Chapter 47 Section 9, the developer/owner of a project within the City is required to post a performance bond guaranteeing the completion of offsite improvements. Final Acceptance will not be granted until all work is complete, as-built drawings are accepted, warranty bonds are posted, and all assessments/fees are paid.

Bonds must be in a form acceptable to the City. Such forms include a bond issued by a surety company licensed in the State of Arizona, and listed on the U. S. Department of Treasury's Listing of Approved Sureties (Department Circular 570). The bond must be for the amount specified and it must name the principal as the project owner or developer. Other acceptable assurances include cash bonds, or Letters of Credit (must be drawn by a bank located in the metro-valley area), and a CD (with the City listed). The following procedures are in place to assist in the issuance of a performance bond:

- Upon the direction of the civil plan reviewer or upon 2nd review, the Engineer of Record for the bonded project shall submit the "Offsite Construction Estimate for Civil Performance Bond" form located on the City of Chandler's website on the Unified Development Manual at www.chandleraz.gov/udm.
- Upon verification of quantities the civil plan reviewer shall forward the notarized estimate to the Engineering Division for final review and issuance of the calculated bond estimate/s to the developer.
- Once the bond is secured and reviewed by the City, all applicable permits shall be deemed ready for issuance. Bond acceptance does not exempt the plan review process.

A **Certificate of Insurance** is also required. It must include the project name, list the City of Chandler as an additional insured and have a minimum coverage of \$1,000,000 per occurrence.

Upon the completion/acceptance of all offsite improvements, the city will require the developer to post a warranty bond for a period of one year from the final acceptance. This warranty bond will be 10% of the performance bond or \$5,000, whichever is greater and will guarantee the workmanship of said improvements.

Please submit the all assurances and insurance paperwork to the Transportation and Development Department, 215 E. Buffalo Street, Chandler, AZ. For more information regarding bonds, contact Daryl Racz at (480)782-3336 or daryl.racz@chandleraz.gov.