PURPOSE

To define requirements for bid security and performance and payment bonds.

POLICY

PUR 501-02-01: Bid Security
Bid security submitted by the bidder guarantees that the bidder will execute a contract with the university at the bid price upon award of the bid. If the successful bidder refuses to enter into a contract, the bid security will be forfeited to the University.

Bid security is not normally required for material or service contracts. The director of Contracting and Purchasing Services is authorized, however, to require bid security for procurements of this nature if such a requirement is advantageous to the university.

Acceptable bid security shall be a bond underwritten by a company licensed to issue bonds in Arizona or a certified or cashier’s check payable to the Arizona Board of Regents.

PUR 501-02-02: Performance and Payment Bonds
Performance bonds for material or service contracts may be required if the director of Contracting and Purchasing Services determines the requirement is necessary to protect the interests of the University. The amount of the bond shall be determined by the director of Contracting and Purchasing Services.

CROSS REFERENCE

PUR 303-00 Competitive Bidding (Complete Section)