CONTRACTING AND PURCHASING SERVICES POLICY MANUAL

NORTHERN ARIZONA UNIVERSITY	POLICY PUR 501-02
	Section: Vendors
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	Responsible office: Purchasing
	Origination date: 07/01/1996
Subject: Bid Security and Performance and Payment Bonds	Effective date: 07/01/1996
Source: University policy	Revision date:
ABOR 3-804	

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)