



## Bond Procedure (PUR-P303)

The online version of this procedure is official. Therefore, all printed versions of this document are unofficial copies.

### 1.0 SCOPE:

- 1.1 This procedure describes handling bonds in the Purchasing Department of the Washoe County School District.

### 2.0 RESPONSIBILITY:

- 2.1 Chief Financial Officer

### 3.0 APPROVAL AUTHORITY:

- 3.1 Chief Financial Officer
- 3.2 Purchasing Supervisor

(Approval signature on file)

Signature \_\_\_\_\_

Date \_\_\_\_\_

### 4.0 DEFINITIONS:

- 4.1 CFO – Chief Financial Officer
- 4.2 WCSD – Washoe County School District
- 4.3 PRCH – Purchasing
- 4.4 Supv. - Supervisor

### 5.0 PROCEDURE:

- 5.1 Bid Bonds

5.1.1 **REQUIRED BID BOND** (Section 2.7 and 19, RFB Boilerplate Service and Section 2.7 Boiler RFB) When required, bids shall be accompanied by a surety company certified bid bond or cashier's check made payable to the Washoe County School District, 425 East Ninth Street, PO Box 30425, Reno, NV 89520-3425. Depending on the requirements, the amount of surety shall not be less than ten percent (10%) of the total bid submitted or \$5,000.00. Said amount to be forfeited to the Washoe County School District should the bidder, to whom the contract is awarded, fail to enter into the contract in accordance with his bid. Surety of the successful bidder shall be retained by Washoe County School District until replaced by a Performance Bond.

5.1.2 When required, a bid bond must accompany bid at the specified receipt time, or it is returned and the bid is "non-responsive".

5.1.3 When a bid bond is required and a bond is found at the opening, the Buyer will note on the audiotape that a bid bond "appears" to be included with the bid.

5.1.4 The witness will make note of bond type (check, cash, surety) on the "Bid Opening Table" form.



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- 5.1.5 After suppliers have gone, witness will separate bids into two stacks – those with and those without bid bonds.
- 5.1.6 The Buyer and witness will go through each bid carefully, making sure there is/is not an *original, sealed* bond.
- 5.1.7 The witness will then review the “Bid Opening Table” to make sure it is a correct record of bonds received.
- 5.1.8 Buyer decides upon the validity of bond.
  - 5.1.8.1 If there is a question, she/he asks the Supervisor for a second opinion.
- 5.1.9 Secretary copies bonds, marks “copy” on them and files copies in Secretary’s locked file as a reminder to request Performance Bond from awarded supplier.
- 5.1.10 Original bonds are kept in a manila envelope with a completed “Bid Bond and Cashier’s Check Listing” form taped to the outside and placed in bid file.
- 5.1.11 Cashier’s checks are recorded on the “Bid Bond and Cashier’s Check Listing” form.
  - 5.1.11.1 Copies of cashier’s checks, marked “copy”, are kept in manila envelope with completed “Bid Bond and Cashier’s Check Listing” form taped to the outside and placed in the bid file.
  - 5.1.11.2 Original checks are placed in a manila envelope with a “Bid Bond and Cashier’s Check Listing” form taped to the outside and kept in Secretary’s locked file.
- 5.2 Performance Bonds
  - 5.2.1 After award of bid by the Board of Trustees and before any work is performed, a “Performance Bond Request”, if required, is sent to awarded vendors.
    - 5.2.1.1 Purchase order may not be issued to successful Bidder unless a certified performance bond, when required, is on file in Purchasing.
  - 5.2.2 When performance bond is received, original bid bond is placed in the bid file.
    - 5.2.2.1 Bid bond is crossed off, dated and initialed on bid bond lists taped to manila envelopes both in Administrative Secretary’s locked file and in bid file.
    - 5.2.2.2 Copy of bid bond from bid file is discarded.



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- 5.2.3 Performance bond will be handled in the same way as a bid bond, except that it will be listed on a "Performance Bond and Cashier's Check Listing" form.
- 5.2.4 Once all performance bonds have been received, bid bonds from suppliers not awarded are filed with original bids in bid file.
- 5.2.5 Performance bonds will be filed in the bid file upon contract completion.
- 5.3 Supervisor's approval is always requested prior to disposition of any documentation.

**6.0 ASSOCIATED DOCUMENTS:**

- 6.1 RFB Boilerplate Service (PUR-F233)
- 6.2 Boiler RFB (PUR-F232)
- 6.3 Bid Opening Table (PUR-F215)
- 6.4 Bid Bond and Cashier's Check Listing Form (PUR-F221)
- 6.5 Performance Bond Request letter (PUR-F222)
- 6.6 Performance Bond and Cashier's Check Listing Form (PUR-F223)

**7.0 RECORD RETENTION TABLE:**

<u>Identification</u>	<u>Storage</u>	<u>Retention</u>	<u>Disposition</u>	<u>Protection</u>
Bid Bond	Supv. File	Per PRCH Supv. Discretion	Discard as desired	Standard file cabinet in secured office
Cashiers check	PRCH Locked Office	Until Replaced by Performance Bond	Discard as desired	Standard file cabinet in secured office

**8.0 REVISION HISTORY:**

<u>Date:</u>	<u>Rev.</u>	<u>Description of Revision:</u>
10/2/06	A	Initial Release
5/1/07	B	Added 5.3; updated Record Retention Table
9/10/08	C	Corrected format/spacing issues; updated language in 5.1.1, 5.1.2, 5.1.5, 5.1.8.1, 5.2.1, 5.2.1.1, 5.5.2, and 5.2.5.

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