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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

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A N A C T

RELATING TO PUBLIC PROPERTY AND WORKS -- CONTRACTORS' BONDS

Introduced By: Senators Lawson, Felag, Conley, Lombardo, and Lombardi

Date Introduced: March 14, 2019

Referred To: Senate Housing & Municipal Government

(Department of Administration)

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 37-12-1 of the General Laws in Chapter 37-12 entitled  
2 "Contractors' Bonds" is hereby amended to read as follows:

3 **37-12-1. Contractors required to give bond -- Terms and conditions.**

4 (a) Every person (which word for the purposes of this chapter shall include a  
5 copartnership, a number of persons engaged in a joint enterprise, or a corporation), before being  
6 awarded a contract by the department of transportation or by the department of administration, as  
7 the case may be, and every person awarded such a contract as a general contractor or construction  
8 or project manager for the construction, improvement, completion, or repair of any public road or  
9 portion thereof or of any bridge in which the contract price shall be in excess of ~~fifty thousand~~  
10 ~~dollars (\$50,000)~~ one hundred and fifty thousand dollars (\$150,000), or for a contract for the  
11 construction, improvement, completion, or repair of any public building, or portion thereof, shall  
12 be required to furnish to the respective department a bond of that person to the state, with good  
13 and sufficient surety or sureties (hereafter in this chapter referred to as surety), acceptable to the  
14 respective department, in a sum not less than fifty percent (50%) and not more than one hundred  
15 percent (100%) of the contract price, conditioned that the contractor, principal in the bond, the  
16 person's executors, administrators, or successors, shall in all things, well and truly keep and  
17 perform the covenants, conditions, and agreements in the contract, and in any alterations thereof  
18 made as therein provided, on the person's part to be kept and performed, at the time and in the  
19 manner therein specified, and in all respects according to their true intent and meaning, and shall

1 indemnify and save harmless the state, the respective department, and all of its officers, agents,  
2 and employees, as therein stipulated, and shall also promptly pay for all such labor performed or  
3 furnished, together with penalties assessed pursuant to § 37-13-14.1(b), and for all such materials  
4 and equipment furnished, (which, as to equipment, shall mean payment of the reasonable rental  
5 value, as determined by the respective department, of its use during the period of its use), as shall  
6 be used in the carrying on of the work covered by the contract, or shall see that they are promptly  
7 paid for, whether or not the labor is directly performed for or furnished to the contractor or is  
8 even directly performed upon the work covered by the contract, and whether or not the materials  
9 are furnished to the contractor or become component parts of the work, and whether or not the  
10 equipment is furnished to the contractor or even directly used upon the work. The bond shall  
11 contain the provisions that it is subject to all such rights and powers of the respective department  
12 and such other provisions as are set forth in the contract and the plans, specifications, and  
13 proposal incorporated by reference in the contract, and that no extension of the time of  
14 performance of the contract or delay in the completion of the work thereunder or any alterations  
15 thereof, made as therein provided, shall invalidate the bond or release the liability of the surety  
16 thereunder. Waiver of the bonding requirements of this section is expressly prohibited.

17 SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
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1           This act would require that contractors awarded road and bridge construction projects by  
2 the department of transportation which have a contract price in excess of one hundred and fifty  
3 thousand dollars (\$150,000) be required to furnish a bond equal to at least 50% of the contract  
4 price.

5           This act would take effect upon passage.

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