



POSTING SURETY FOR DEVELOPMENT PROJECTS

Acceptable forms of surety for securing performance of a development project are listed below. The total surety posted must equal 100% of the amount of the approved engineer's cost estimate. Originals of the required documents must be submitted to the City, and the bank return address must be printed on all documents. The execution of security obligation agreements associated with the proposed work may be required.

Acceptable Forms of Security:

1. **Letter of Credit.**
 - See Engineering Design Manual Appendix 1.7 (C) for further information.
2. **Cash.**
3. **Certificate of Deposit (CD).**
 - If entire amount of required surety will be posted in the form of a CD, the applicant should obtain two separate CD's in amounts of 25% and 75% of the engineer's cost estimate to facilitate the partial security release.
4. **Faithful Performance Bond.**
 - Permit for public improvements: bond may be used to secure 100% of the engineer's cost estimate.
 - Permit for grading or private improvements: bond may be a maximum of 80% of the engineer's cost estimate, with the balance of the surety posted in the form of cash, CD, or a letter of credit.
5. **Labor and Materials Bond.**
 - Used for deferred monumentation only, the bond may be up to 100% of the engineer's cost estimate for the monumentation.

Release of Securities:

1. **Partial Release.**
 - A one-time partial release in the amount of 75% of the posted surety can be completed following rough grade approval by the Engineering Inspector and the project soils engineer.
2. **Full Release.**
 - The final release of securities may be completed following Engineering Inspector approval and approval of the project as-built drawings.
3. **Public Improvements Warranty Period.**
 - All improvement projects require that 25% of the posted security be retained for a one-year warranty period.