

1. *The grantee's authorized representative will submit the following statement on the grantee organization's letterhead. The document may be modified as necessary to meet the specific conditions of the project.*
2. *To ensure proper review and approval, please include the correct grant number, project number, project title, and project type.*
3. *If a grantee is not able to secure bonding for the project because it has already started or is completed, then the grantee must upload an official letter that notes bonding was not secured to the EHB submission request that includes the following:*
 - a. *Acknowledgement of and Department of Health and Human Services (DHHS) Bonding Requirements.*
 - b. *Acceptance of any and all risk associated with not having secured bonding for the project.*
4. *This completed statement, and all applicable attachments, must be scanned and uploaded into the EHB to the corresponding "**Bonding Coverage Certification**" submission.*

DHHS Bonding Requirements/Background

All grantees are required to have written procurement policies. These policies should include requirements for bonding. The minimum required by DHHS for construction contracts over \$100,000 is surety bonds for performance and payment (45 CFR Parts 74.48(c) and 92.36(h)). The bonds must cover 100 percent of the cost of the contract. These bonds are to be secured from companies holding certificates of authority from the US Department of Treasury, in conformance with "Surety Companies Doing Business with the United States" (74.21(e)).

The cost of bonding is an allowable grant award cost. Grantees that will, or are currently in the process of executing construction contracts without surety bonds in place must make every effort to secure bonding. Unsatisfactory completion of projects without performance and payment bonds in place may result in the grantee incurring additional costs out of pocket to complete work on the project. Grantees that fail to complete projects may be required to return grant funding to HRSA.

Definitions

A performance bond on the part of the contractor for 100% of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

A payment bond on the part of the contractor for 100% of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by statute of all persons supplying labor and material in the execution of the work provided for in the contract.

**Template for
Bonding Coverage Certification**

Project Title: *[Insert title]*
Project Number: *[Insert project number, #####-###]*
Project Type: *[Insert type]*
Grant Number: *[Insert grant number]*
Grantee Name: *[Insert name]*

I hereby certify that (please select the response by marking the appropriate bracket):

The bonding requirements do not pertain to this project *[provide a written justification; the only exception to this requirement is for contracts of less than \$100,000]*.

OR

[Insert name of contractor] has been selected to construct *[insert describe project]* in accordance with the Owner / Contractor Agreement signed and executed on *[insert date]*. *[Insert name of contractor]* is providing appropriate bonding coverage for the primary contract and any sub-contracts for this project in accordance with HRSA requirements and as further described:

1. Performance Bond – 100% of the contract sum.
2. Payment Bond (Labor and Material) – 100% of the contract sum.

Signature of grantee's authorized representative

Printed name of grantee's authorized representative

Date