

# **Subpart 528.1 - Bonds and Other Financial Protections**

**Parent topic:** [Part 528 - Bonds and Insurance](#)

## **528.101 Bid guarantees.**

### **528.101-1 Policy on use.**

(a) *Construction contracts.* The bid guarantee requirements in FAR 28.101-1(a) apply to contracts over \$150,000 awarded under Section 8(a) of the Small Business Act, as amended ([15 U.S.C. 637\(a\)](#)).

(b) *Building service contracts.* The contracting officer may require bid guarantees for building service contracts over \$150,000 if it is determined under [528.103-2](#) that a performance bond is essential to protect the Government's interest.

(c) *All other contracts.* Refer to FAR 28.101 for guidance on the use of bid guarantees.

## **528.102 Performance and payment bonds and alternative payment protections for construction contracts.**

### **528.102-1 General.**

(a) The performance and payment bond requirements in FAR 28.102-1 a apply to contracts over \$150,000 awarded under Section 8(a) of the Small Business Act, as amended ([15 U.S.C. 637\(a\)](#)).

(b) The payment protection requirements in FAR 28.102-1(b) apply to contracts greater than \$35,000, but not greater than the \$150,000, awarded under Section 8(a) of the Small Business Act, as amended ([15 U.S.C. 637\(a\)](#)).

## **528.103 Performance and payment bonds for other than construction contracts.**

### **528.103-2 Performance bonds.**

(a) The contracting officer shall not require performance bonds for building service contracts unless a written determination is made explaining why the bond is essential to protect the Government's interest and justifying the additional cost of the bonding requirement.

(b) The contracting officer may require a performance bond for building service contracts over \$150,000 awarded under Section 8(a) of the Small Business Act as amended ([15 U.S.C. 637\(a\)](#)) if it is determined under [528.103-2\(a\)](#) that a performance bond is essential to protect the Government's

interest.

(c) The contracting officer shall not require a performance bond for building service contracts awarded to AbilityOne nonprofit agencies (41 U.S.C. chapter 85).

(d) Consider the circumstances and determine the penal amount of the performance bond on a case-by-case basis.

### **528.103-3 Payment bonds.**

(a) The contracting officer may require payment bonds for other than construction contracts if the contracting director determines, under FAR 28.103-3, that such a requirement is in the Government's interest.

(b) Consider the circumstances and determine the penal amount of the payment bond on a case-by-case basis.

## **528.106 Administration.**

### **528.106-6 Furnishing information.**

The HCA or designee performs the functions outlined in FAR 28.106-6(c).