## 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 caseby-case basis.

**Parent topic:** <u>528.103</u> Performance and payment bonds for other than construction contracts.