

PUBLIC WORKS BONDS

EVERY CONTRACTOR AND SUBCONTRACTOR who works on public works projects subject to the prevailing wage rate (PWR) law is required to file a **\$30,000** "**PUBLIC WORKS BOND**" with the Construction Contractor's Board (CCB). (ORS 279C.836) This includes flagging and landscaping companies, temporary employment agencies, and sometimes sole proprietors.

- This bond is to be **USED EXCLUSIVELY FOR UNPAID WAGES** determined to be due by the Bureau of Labor and Industries (BOLI).
- The bond **MUST** be filed **BEFORE STARTING WORK** on a prevailing wage rate project.
- The bond is in effect **CONTINUOUSLY** (do not have to have one per project).
- **BEFORE PERMITTING A SUBCONTRACTOR TO START WORK** on a public works project, **CONTRACTORS MUST VERIFY** their subcontractors have either filed the bond, or have elected not to file a public works bond due to a bona fide exemption.
- A public works bond is in addition to any other required bond the contractor or subcontractor is required to obtain.

Exemptions:

- Allowed for contractors that are certified disadvantaged, minority, women or emerging small business enterprises, for the first FOUR years of certification;
 - Exempt contractor must still file written verification of certification with the CCB, and give the CCB written notice that they elect not to file a bond.
- For projects with a total project cost of \$100,000 or less, a public works bond is not required. (Note this is the total project cost, not an individual contract amount.)
 - The Prime Contractor must give written notice to the public agency that they elect not to file a public works bond.
 - Subcontractors must give written notice to the prime contractor that they elect not to file a public works bond.
- Emergency projects, as defined in ORS 279A.010(f).

ORS 279C.830(3) and (4) require:

That the **specifications** for every contract for public works shall contain a provision stating that the contractor and every subcontractor must have a public works bond filed with the CCB before starting work on the project, unless otherwise exempt.

Every contract awarded by a contracting agency shall contain a provision requiring the contractor:

- To have a public works bond filed with the CCB before starting work on the project, unless otherwise exempt;
- To include in every subcontract a provision requiring the subcontractor to have a public works bond filed with the CCB before starting work on the project unless otherwise exempt.