

SECTION 25

PAYMENT BOND

- A. The Contractor who is selected to enter into a written Contract with VRE shall furnish a Payment Bond or Irrevocable Letters of Credit. **As an alternative, the Contractor may propose a parent company guarantee in a form acceptable to VRE providing security equivalent to the Payment Bond and Irrevocable Letter of Credit. The Contractor shall provide financial and other information concerning the parent company sufficient to VRE to determine whether the alternative security is acceptable.**
- B. The Contractor shall deliver to VRE within ten (10) calendar days of the notification of award a duly executed Payment Bond or Irrevocable Letters of Credit payable to the “Northern Virginia Transportation Commission and the Potomac and Rappahannock Transportation Commission, together known as the Virginia Railway Express.”
- C. The Payment Bond shall be in the amount of the value of subcontracted work as guarantee for the payment to all persons who have and fulfill contracts, which are directly with the Contractor. **The Payment Bond shall be for subcontracted services during the five (5) year term of the Contract and renewed at each additional option period.**
- D. The Sureties of all bonds shall be of such surety company or companies as are approved by Virginia and are authorized to transact business in the Commonwealth of Virginia. No Contract shall be deemed to be in effect until the bonds have been approved by VRE.
- E. The Contractor shall provide an appropriate bond form prior to or at the time of Contract award to VRE for review and approval. The Contractor may use the American Institute of Architects (AIA) bond forms or a format that is substantively similar.
- F. VRE may require additional bond protection when a Contract price is increased.
- G. A copy of the revised bond shall be provided by the Contractor to VRE. The Contractor shall execute change orders with the consent of the surety or sureties on the Payment Bond unless otherwise directed by the sureties.

