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Filed: 10-11-16

Sponsored by: Fisk

First Reading: _____

Second Reading: _____

COUNCIL BILL NO. 2016- 231

GENERAL ORDINANCE NO. _____

AN ORDINANCE

1 AMENDING the Springfield City Code, Chapter 2, Administration, Article I, In General,
2 Section 2-5, Bonds on public works projects, by increasing the minimum
3 dollar amount of construction contracts that require performance, labor
4 and materials bonds to \$50,000.00.
5
6

7 BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SPRINGFIELD,
8 MISSOURI, as follows, that:
9

10 NOTE: Language being added is underlined and language being removed is
11 ~~stricken~~.
12

13 Section 1 – The Springfield City Code, Chapter 2, Administration, Article I, In
14 General, Section 2-5, Bonds on public works projects, is hereby amended as follows:
15
16

17 Sec. 2-5. - Bonds on public works projects.

- 18 (a) Whenever the city shall make a contract in excess of
19 ~~\$25,000.00~~\$50,000.00 with a contractor for public works as defined by
20 RSMo 107.170, it shall be the duty of the city manager to provide for and
21 to secure from the public works contractor a bond with good and sufficient
22 sureties in the full amount of the contract, which bond, among other
23 conditions which may be established in the specifications for the work,
24 shall be conditioned for the payment of costs of any and all materials,
25 lubricants, oil, gasoline, grain, hay, feed, coal and coke, repairs on
26 machinery, groceries and foodstuffs, equipment and tools consumed or
27 used in connection with the construction of the work, and all insurance
28 premiums both for compensation and for all other kinds of insurance on the
29 work, and for all labor performed in the work, whether by subcontractor or
30 otherwise.
31 (b) All bonds executed and furnished under the provisions of this section shall
32 be deemed to contain the requirements and conditions as set out in this
section, regardless of whether the requirements and conditions are set

79 Filed as Ordinance: _____

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82 Approved as to form: _____, Assistant City Attorney

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85 Approved for Council action: _____, City Manager

EXPLANATION TO COUNCIL BILL NO: 2016- 231

FILED: 10-11-16

ORIGINATING DEPARTMENT: Finance

PURPOSE: To amend the Springfield City Code, Chapter 2, Administration, Article I, In General, Section 2-5, Bonds on public works projects, by increasing the minimum dollar amount of construction contracts that require performance, labor and materials bonds to \$50,000.00.

BACKGROUND: In Late 2014, in an effort to provide relief to contractors, the State of Missouri passed modifications to Missouri's Public Prompt Pay Act (34.057 RSMo) and Public Works Bonding Act (107.170 RSMo). These provisions revised and expanded the scope of Missouri's Public Prompt Payment Act and, among other benefits for contractors working on public works projects, reduced delays in payments due from public owners, provided clarification of the professionals protected through these Acts, and raised the floor value for requiring construction contractors to furnish a bond from \$25,000.00 to \$50,000.00. The immediate ordinance will update the City's bonding requirement, set out in Chapter 2, Article 1, Section 2-5 of the City Code, to match Missouri's statutory requirements by requiring bonds for construction contracts with the City that are estimated to exceed \$50,000.00. Depending upon the type and nature of the construction project, Section 2-5, Subsection (3) will continue to allow the City, in its discretion, to require a bond for projects with estimated costs of \$50,000.00 or less.

REMARKS: In conjunction with the immediate ordinance, a similar council bill is being presented to City Council to simultaneously amend the corresponding section of the City's Purchasing Manual, Subsection 13-3.104, Paragraph 8, Contract Performance and Payment Bonds, by increasing the minimum dollar amount of construction contracts that require performance, labor and materials bonds to \$50,000.00 in the Purchasing Manual also.

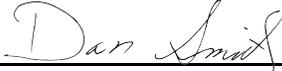
RECOMMENDATION: The Departments of Finance, Public Works, and Environmental Services recommend approval of the proposed amendments.

Submitted by:



Interim Director of Finance

Recommended by:



Dan Smith, Director of Public Works

Approved by:



City Manager



Steve Meyer, Director of Environmental Services