

CITY OF HOMER
HOMER, ALASKA

ORDINANCE 79-5

AN ORDINANCE GENERALLY ESTABLISHING BONDING REQUIREMENTS FOR CONTRACTORS ON PUBLIC WORKS PROJECTS; EXEMPTING CONTRACTORS UNDER CERTAIN CONDITIONS FROM THE BONDING REQUIREMENTS OF A.S. 36.25.010 FOR CONSTRUCTION OR REPAIR OF PUBLIC WORKS PROJECTS NOT EXCEEDING \$ 100,000.00 IN ESTIMATED COSTS; AND FOR INCLUSION OF ORDINANCE IN THE HOMER CITY CODE.

WHEREAS, it is deemed necessary and advisable for the City of Homer to establish uniform bonding requirements for contractors on public works projects; and

WHEREAS, recent amendments to the Alaska Statutes provide specifically for new flexibility on the part of Alaskan municipalities in the administration of payment and performance bond requirements for contractors;

NOW THEREFORE, the City of Homer ordains as follows:

Section 1. CONTRACTOR BONDING REQUIREMENTS IN GENERAL.

Except as hereinafter provided, all contractors on public works project for the City of Homer shall comply with the provisions of Alaska Statutes 36.25.010 in their entirety.

Section 2. SAME - OPTIONAL EXEMPTION. Pursuant to Sections 29.48.130(a)(12) and 36.25.025 of the Alaska Statutes, the City Council may, at its option, exempt contractors on public works projects from the bonding requirements of A.S. 36.25.010 if the estimated cost of the project does not exceed \$ 100,000.00 , provided the contractor meets the specific conditions set forth in the following section.

Section 3. SAME - SAME - SPECIFIC CONDITIONS. Any contractor exempted by the City from the bonding requirements of A.S. 36.25.010 shall offer evidence satisfactory to the City Manager or his designee that:

(1) The contractor is, and for two years immediately preceding the award of the contract has been a licensed contractor having his or its principal office in the state;

(2) The contractor certifies that he has not defaulted on a contract awarded to him during the period of three years preceding the award of a contract for which a bid is submitted;

(3) The contractor has submitted a financial statement, prepared within a period of nine months preceding the submission of a bid for the contract and certified by a public accountant or a certified public accountant licensed under A.S. 08.04, demonstrating that the contractor has a net worth of not less than 70 per cent of the amount of the contract for which a bid is submitted; and

(4) The total amount of all contracts which the contractor anticipates performing during the term of performance of the contract for which a bid is submitted does not exceed the net worth of the contractor reported in the certified financial statement prepared and submitted under (3) of this subsection by more than seven times;

(5) At the time the contract is approved, the amount of the contractor's working capital to the amount of the bid, is not less than 25 per cent.

Section 4. SAME - SAME - ADDITIONAL CASH DEPOSITS.

The City Council may require deposits of cash in such amounts and under such terms and conditions as the Manager may deem appropriate to protect the interests of the City, in addition to the requirements set forth in Section 3 of this Ordinance.

Section 5. INCLUSION IN CITY CODE. This ordinance shall be made a part of Chapter 14, PUBLIC WORK, UTILITIES AND ENGINEERING, of the Homer City Code.

CITY OF HOMER

By: 

LEO RHODE, Mayor

ATTEST:


BECKY O'NEILL, City Clerk

FIRST READING 6/25/79

PUBLIC HEARING 7/9/79

SECOND READING 7/9/79

EFFECTIVE DATE 7/10/79