

LEGISLATIVE DIGEST

[Administrative Code - Surety Bonds and Bid Securities]

Ordinance amending the Administrative Code to authorize the Controller to delegate to the Risk Manager authority to make certain decisions regarding the amount of surety bonds and the sufficiency and qualifications of sureties.

Existing Law

City law allows departments soliciting bids on a contract for the purchase of commodities or services to require a bidder to include a deposit with its bid to secure the bid. Regular bidders may, in place of individual deposits on individual bids, file a corporate surety bond in an amount to be fixed by the Controller.

The Controller must also determine whether a person or company submitting a bond or other security for a bid has sufficient assets to be relied upon and is otherwise qualified for these purposes.

Amendments to Current Law

The proposal is an ordinance that would amend the Administrative Code to authorize the Controller to delegate to the Risk Manager the authority to fix the amount of corporate surety bonds for such types of commodities or services contracts, and in such amounts, as the Controller deems appropriate.

The proposal would also authorize the Controller to delegate to the Risk Manager the authority to approve the sufficiency of assets and qualifications of sureties for such types or classes of agreements requiring surety or security bonds and in such amounts as the Controller deems appropriate.