



Ohio Revised Code Section 153.80 Reducing bond.

Effective: September 29, 2011

Legislation: House Bill 153 - 129th General Assembly

(A) A contract for the construction, demolition, alteration, repair, or reconstruction of a public improvement entered into on or after April 16, 1993, shall be deemed to include the provisions contained in division (B) of this section.

(B)(1) In regard to any bond filed by the contractor for the work contracted, the contracting authority, in its sole discretion, may reduce the bond required by twenty-five per cent of the total amount of the bond after at least fifty per cent of the work contracted for has been completed and by fifty per cent after at least seventy-five per cent of the work contracted for has been completed provided that all of the following conditions are met:

(a) The contracting authority determines that the percentage of the work that has been completed at the time of determination has been satisfactorily performed and meets the terms of the contract, including a provision in regard to the time when the whole or any specified portion of work contemplated in the contract must be completed;

(b) The contracting authority determines that no disputed claim caused by the contractor exists or remains unresolved;

(c) The successful bid upon which the contract is based was not more than ten per cent below the next lowest bid or not more than ten per cent below a cost estimate for the work as published by the contracting authority.

(2) In regard to the amount of any funds retained, the contracting authority, in its sole discretion, may reduce the amount of funds retained pursuant to sections 153.12 and 153.14 of the Revised Code for the faithful performance of work by fifty per cent of the amount of funds required to be retained pursuant to those sections, provided that the surety on the bond remains liable for all of the following that are caused due to default by the contractor:



- (a) Completion of the job;
- (b) All delay claims;
- (c) All liquidated damages;
- (d) All additional expenses incurred by the contracting authority.

(C) As used in this section:

(1) "Contracting authority" means an officer, board, or other authority of the state, a county, township, municipal corporation, or school district, or of any other political subdivision of the state, authorized to contract for the construction, demolition, alteration, repair, or reconstruction of a public improvement, and any construction manager at risk as defined in section 9.33 of the Revised Code or design-build firm as defined in section 153.65 of the Revised Code awarding a subcontract, but does not include an officer, board, or other authority of the department of transportation.

(2) "Delay claim" means a claim that arises due to default on provisions in a contract in regard to the time when the whole or any specified portion of work contemplated in the contract must be completed.