

# Scarborough Bond and Guarantee Program

## Calculation of Bond Fees

Fees are charged and are payable in advance or immediately upon assumption of risk by the surety.

### Bid Bonds

- Bid Bond Service Undertaking (BBSU)
  - The annual charge for bid bonds is \$400, billed annually in January (or pro-rata on a quarterly basis in the initial year) and payable in advance.

### New and Renewal Performance & Payment bonds

Current rate manual is defined as 3.5% of the contract value or penal sum of the bond (whichever is greater) for the first twenty-four (24) months after issuance of the bond.

For each additional twelve (12) month period or portion thereof, an additional premium of 1.0% of the contract value or penal sum (whichever is greater) will be charged.

Additions to the contract value by change order or otherwise which increase the contract value or increase the surety's exposure will incur additional premium of 3.5% regardless of when they occur.

The full initial fee is fully earned upon execution of the BOND and will not be refunded, waived or cancelled for any reason.

Maximum Rule: For bonds where the penal sum (bond amount) is less than the contract amount (a "Percentage Bond"), charge the normal fee or 15% of the aggregate penalty of the Performance and Payment Bonds, whichever is LESS, subject to a \$1,500 minimum fee. Also use this rule if a Percentage Bond amount is increased.

There is no adjustment for a term of less than 24 months or for reductions in the contract amount.

### Service Fees

The underwriters, in their sole judgment, may require an additional processing fee(s) when accounts include unusual complicating factors.

### Funds Administration

In the event that Funds Administration is required, the charge for this service will be determined by the Funds Administrator and is payable by the client (Principal).

**Clients are encouraged to contact us if there are questions about these fees / procedures.**

Our customers have been advised of the availability and location of this information, and therefore assume the responsibility of familiarizing themselves with the charges that pertain (or may apply) to their account.

These fees / procedures are subject to change without notice.