



## CITY OF WASILLA

Code Ordinance

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Requested By: Administration  
Prepared By: Administration

### ORDINANCE SERIAL NO. 90-27

AN ORDINANCE OF THE CITY OF WASILLA, ALASKA AMENDING CHAPTER 6.24 OF THE WASILLA MUNICIPAL CODE

BE IT ORDAINED AND ENACTED BY THE CITY OF WASILLA, ALASKA AS FOLLOWS:

SECTION I. Classification. This ordinance is of a general and permanent nature and shall be made a part of the Wasilla Municipal Code.

SECTION II. Purpose. To amend Chapter 6.24 of the Wasilla Municipal Code to allow the Mayor to except the requirement for contractors payment and performance bonds for projects that do not exceed \$100,000 in value.

SECTION III. Enactment.

A. Chapter 6.24 is amended to add Section 6.24.145 which shall read as follows:

#### 6.24.145 Bonds

A. Bonds Required. Before a contract for the construction, alteration or repair of a City building, road or utility project is awarded to a general or specialty contractor, the contractor is to furnish the City payment and performance bond in the total amount payable by the contract up to \$100,000. For contracts with total amounts payable more than \$100,000, the required amount of the payment and performance bond may be determined in accordance with AS36.25.010.

B. Bond Exemption Option.

(1) Prior to solicitation of bids for any City construction project for which the lowest bid is not expected to exceed \$100,000, the Mayor shall determine whether to accept bids from contractors who may become exempt from payment and performance bond requirements under Subsection 2 of this section. The Mayor may waive payment and performance bond requirements for the lowest qualified bidder in any construction contract if:

a. The Mayor has determined, for that construction contract that the risk associated with waiver of bonding is outweighed by the benefits of increased participation of local contractors in public construction contracts; and

b. the successful low bidder fully qualifies with the requirements of Subsection B(2) of this section; and

c. the successful low bid does not exceed \$100,000; and

d. the successful low bid does not conflict with state or federal requirements.

(2) A successful construction contract bidder may apply for exemption from payment and performance bond, consistent with this section, by describing in writing three previous jobs and authorizing the City to review prior performance. Applicants shall also demonstrate:

a. 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;

b. The contractor certifies that he has not defaulted on a contract awarded to him during the three years preceding the contract award;

c. The contractor submits a financial statement in a form satisfactory to the Mayor and prepared within 9 months preceding the contract award and certified by a public accountant licensed under AS 08.04 demonstrating that the contractor has a net worth of not less than fifty percent of the amount of the bid;

d. 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 Subsection 2c of this section by more than three times.

(3) The Mayor may, at his discretion, impose additional conditions on construction contracts let without payment or performance bonds, including but not limited to the following:

a. That no payment shall be made to the contractor or the contract awarded until completion of the work contracted for unless the contract shall run longer than 60 days, in which case the Mayor may make periodic payments;

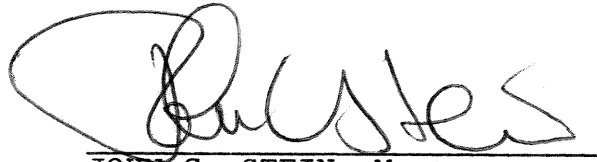
b. The contractor shall certify that all providers of labor or material have been paid in full prior to payment for the contract awarded.

SECTION IV. Enactment. This ordinance becomes effective upon adoption by the Wasilla City Council.

Introduction: 08/13/90


Public Hearing: 08/27/90

ADOPTED by the Council of the City of Wasilla on this 24th day of September, 1990.



JOHN C. STEIN, Mayor

ATTEST:



Erling P. Nelson, CMC  
City Clerk

(SEAL)