

63G-6a-1102 Bid security requirements -- Directed suretyship prohibited -- Penalty.

- (1) Bid security in an amount equal to at least 5% of the amount of the bid shall be required for all competitive bidding for construction contracts. Bid security shall be a bond provided by a surety company authorized to do business in this state, the equivalent in cash, or any other form satisfactory to the state.
- (2) When a bidder fails to comply with the requirement for bid security described in the invitation for bids, the bid shall be rejected unless, pursuant to rules of the applicable rulemaking authority, the issuing procurement unit determines that the failure to comply with the security requirements is nonsubstantial.
- (3) After the bids are opened, they shall be irrevocable for the period specified in the invitation for bids, except as provided in Section 63G-6a-605. If a bidder is permitted to withdraw a bid before award, no action shall be taken against the bidder or the bid security.
- (4)
 - (a) When issuing an invitation for a bid under this chapter, the procurement officer or the head of an issuing procurement unit responsible for carrying out a construction project may not require a person or entity who is bidding for a contract to obtain a bond of the type described in Subsection (1) from a specific insurance or surety company, producer, agent, or broker.
 - (b) A person who violates Subsection (4)(a) is guilty of an infraction.

Amended by Chapter 445, 2013 General Session