

King Abdulaziz University  
Department of Civil Engineering

Homework # 1 Solution

- 2.1 Types of construction bonds and why are they required?
- 1) Bid Bonds: Three party instrument that protects one party from default on the part of a second party.
  - 2) Performance Bonds: Issued to a contractor to guarantee an owner that the contract work will be completed and that it will comply with project specifications.
  - 3) Payment Bonds: Issued to guarantee the owner freedom from any liens against his completed project.
- Three items that affect bonding capacity:  
Status of costs, payments, and disputes associated with uncompleted work.
- 2.5
- a) General Conditions: All the stipulations regarding how a contract is to be administered and the relationships between the parties involved.
  - b) Special Conditions: To specify those aspects of the contractual relationships that are peculiar or unique to a given project (duration of the project, instructions on commencement of work, owner-procured materials, format to report progress, etc.)
  - c) Addenda: To incorporate in a bid package changes in detail, additions, corrections, and contract conditions that arise before bids are opened and that are also basis for bidding.
  - d) Technical Specifications: To provide a written description of the technical requirements of the work to be performed.
- 2.8 The notice to bidders is a solicitation on behalf of the client asking contractors to consider the project advertised for possible bid. It provides information regarding the procedure for submitting a bid for consideration and typically gives information as to where and how the plans and specifications are available for review.