

Right-of-Way & Performance Bonds

There are two types of bonds that may be required when doing work in the City, a Right-of-Way (ROW) bond and a Performance Bond.

WHAT IS A ROW BOND?

A ROW bond is required as a measure of protection against personal injury or damage to property when work is being done in the right-of-way. With few exceptions, when work is being performed within the City right-of-way it must be done by a licensed contractor who has an active \$15,000 ROW bond on file with the City **prior to the permit being issued**. Permits that require ROW bonds include:

- Storm/sanitary sewer repair or installation on private property or in the ROW.
Note: sewer repair permits can be issued to single-family homeowners without meeting the ROW bond requirement provided the work area is completely contained on the property and the work is to be performed with hand tools (no machinery). ROW bond requirement always applies when the permit is issued to contractor.
- Sidewalk repair or installation
- Driveway repair or installation
- Barricading
- Utility trenching
- Sign installation
- Work Order (a permit which often include several of the other items on this list)

WHAT IS A PERFORMANCE BOND?

A performance bond is project-specific and ensures that, if the work is not completed within the required amount of time, the bond will cover the cost to complete the work. Performance bonds are most commonly required for Work Orders but can also be used to guarantee the completion of such things as landscaping or critical areas mitigation. Because the performance bond is project-specific, the value of the bond will depend on the value of the work being completed. City staff will assist in that determination. If the work is completed per the specific

requirement in the given time frame, and accepted by the City, the bond is released.

WORK ORDER BONDS

It's common with Work Orders that the applicant (typically the civil engineer who designed the drawings) is different than the contractor who is going to pull the permit and do the work. As a result, it's important to note that, in addition to the performance bond requirement for the Work Order, the contractor to which the Work Order is issued must have a current ROW bond on file with the City **prior to the Work Order being issued**.



HOW TO SATISFY THE BOND REQUIREMENT

There are three ways to satisfy both the ROW and performance bonds:

- Purchase a bond through a **bonding or surety company**.
- **Assignment of funds in-lieu of bond** - the applicant deposits the required bond amount at his/her bank and the bank creates a separate account. That money stays in the account until it is released by the City. The bank completes the Assignment In-Lieu-Of Bond form. The bank **MUST** attach a copy of the Time



Note: This Tip Sheet does not substitute for codes and regulations.

The applicant is responsible for compliance with all codes and regulations, whether or not described in this document.

More information: City of Tacoma, Planning and Development Services | www.tacomapermits.org (253) 591-5030

To request this information in an alternative format or a reasonable accommodation, please call 253-591-5030 (voice).

TTY or STS users please dial 711 to connect to Washington Relay Services.

Right-of-Way & Performance Bonds

Certificate statement or deposit slip and the official bank signature must be notarized.

- **Agreement in-lieu of bond** – a cash deposit is made directly to the City and held until the work is completed.

PLEASE MAIL to our address as follows (NOTE: failure to use a complete address will result in mail being returned):

City of Tacoma
Planning and Development Services Department
747 Market Street, Room 345
Tacoma, WA 98402

ROW/PERFORMANCE BOND SUBMITTAL

Important Information to Correctly Complete and Submit a Bond:

- We must receive an original bond (see the attached ROW bond form); bonds on other forms will not be accepted. This includes: riders, copies, emails and faxes. **Original stamped and signed document is required.**
- PLEASE print the bond form on one page; power of attorney document must also be printed on one page. **Double-sided documents will not be accepted.**
- The company name must be consistent with all other documentation we have on file (certificate of insurance, WA State Contractor's license, City of Tacoma business license, company letter on letterhead)
- If your company is incorporated (Inc.) or formed as a Limited Liability Company (LLC), the bond should reflect the full legal name of the company. The name needs to be consistent with the remaining documents.
- If you are a sole proprietor or "doing business as (DBA)", both your full legal name and the full legal name of the DBA company should be on the bond. Please make sure all required signatures and notarizations are complete-- incomplete bonds will cause approval delay.
- A Power of Attorney document **must be original**, contain original signatures, and be attached to the bond form (a copy will only be accepted with embossed or adhered stamp from the surety company).

ADDITIONAL RESOURCES

Tip Sheets

- [S-201 Side Sewer](#)
- [S-301 Work Orders](#)

Tacoma Municipal Code (TMC)

- [Title 2 - Buildings](#)
- [Title 9 - Public Ways](#)
- [Title 10 - Public Works](#)
- [Title 13 - Land Use Regulatory Code](#)



Note: This Tip Sheet does not substitute for codes and regulations.

The applicant is responsible for compliance with all codes and regulations, whether or not described in this document.

More information: City of Tacoma, Planning and Development Services | www.tacomapermits.org (253) 591-5030

To request this information in an alternative format or a reasonable accommodation, please call 253-591-5030 (voice).

TTY or STS users please dial 711 to connect to Washington Relay Services.



Bond Number _____

RIGHT OF WAY BOND

KNOW ALL MEN BY THESE PRESENTS:

That we, _____
as principal, and _____
a corporation organized and existing under the laws of the State of _____, as
a surety corporation, and qualified under the laws of the state of Washington to become surety upon bonds
to municipal corporations, as Surety, are jointly and severally held and firmly bound unto the CITY OF
TACOMA in the penal sum of fifteen thousand dollars (\$15,000.00), for the payment of which sum on
demand we bind ourselves and our successors and assigns, heirs, administrators, or personal
representatives, as the case may be.

Dated at, _____, Washington, this _____ day of _____, 20_____.

WHEREAS, under and pursuant to the Laws & Ordinances of the City of Tacoma (TMC 10.22.070.F), the
above principal has applied for or will apply from time-to-time from the date hereof to the Director of Public
Works of the City of Tacoma for permits to grade, pave, level, alter, construct, repair, remove or Excavate
any pavement, sidewalk, crosswalk, curb, driveway, gutter, public sewer, water main, conduit, fuel tank,
vault, or any other structure or improvement located over, under, or upon any street, alley, or other public
place, or place any structure, building materials, earth, gravel, rock, garbage, debris, or any other material
or thing tending to obstruct, damage, disturb, or interfere with the free use thereof or any
improvement situate therein, or cause a dangerous condition thereon.

NOW THEREFORE, if the said principal shall during the continuance of such permit or permits faithfully
perform all of the provisions of said permit or permits and shall fully comply with all of the provisions of
applicable ordinances and shall indemnify and save harmless the City of Tacoma from any and all
judgments, costs or expenses arising from injuries or damage to any person or property on account of such
work and shall carry out and complete such Work within the specified time and according to the terms of
such Permit furnished by the Director, and according to the City's general Specifications. Such bond shall
be continuously in effect from the date of issue and may be further conditioned to cover all Permits issued to
the applicant; provided, that such bond by its terms provides that the same shall not be canceled unless
and until the Director is given a written notice of such intention to cancel a minimum of ten days before the
effective date of said cancellation. Such bond shall further provide that it shall remain in full force and
effect until the completion of any and all Work which has been commenced, or is to be commenced,
pursuant to any Permits issued prior to the effective date of cancellation. The bond shall remain in force
and effect for a minimum of one year after completion and acceptance of any street cut or Excavation.
Termination of liability under this bond by notice to the Director of Public Works of the City of Tacoma will
not operate to release the surety of liability for permits issued prior to the termination date of this bond.

Approved as to Form:

Deputy City Attorney

Company Principal Signature

Approved:

Surety Company Name

Director of Public Works

Surety Company Signature

Surety Approved:

Surety Mailing Address

Director of Finance

City, State, Zip

(_____) _____
Phone

**NOTE: PLEASE ATTACH ORIGINAL SURETY POWER OF ATTORNEY WITH INK STAMP OR
EMBOSSSED SEAL TO THIS DOCUMENT**

**SEND ALL CORRESPONDENCE TO:
CITY OF TACOMA, 747 MARKET ST, ROOM 345, TACOMA, WA 98402**