

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 work within the right-of-way associated with:

- Storm/sanitary sewer repair or installation
- Sidewalk repair or installation
- Driveway repair or installation
- Barricading
- Utility trenching
- Sign installation
- Work Orders (which often include several of the items from 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.

COMMON WORK ORDER ISSUE

It's common with work orders for the applicant to be different than the contractor that's going to pull the permit and do the work. As a result, it's important to note that, in addition to the performance bond required for the specific 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 their bank and the bank creates a separate account. That money stays in that 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 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.



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.

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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).

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

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

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](#)



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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

Approved:

Director of Public Works

Surety Approved:

Director of Finance

Principal:

By: _____
Surety

By: _____
Signature

Surety Mailing Address

City, State, Zip

(_____) _____
Phone

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