



200 NE Moe Street  
Poulsbo, WA 98370  
Phone 360.779.4078

# CITY OF POULSBO

Public Works Department  
Engineering Division

**BOND**

## Public Property Construction Permit Procedure and Checklist

FOR PERMITS WITH

■ **SURETY BONDING AND CERTIFICATE OF INSURANCE** ■

Poulsbo Municipal Code (PMC) 12.08 states that no construction on any City-owned property, street public right-of-way, or utility easement shall be performed by any person or corporation without first obtaining the approval of the City Engineer, or his designee, and without obtaining a "Public Property Construction Permit". As a condition of approval of any permit, the applicant shall file a surety agreement with the City guaranteeing actual construction and installation of the work and the repair or replacement of any improvement or restoration work done under the permit which proves defective in workmanship or materials within a time period set by the City Engineer.

This Procedure and Checklist packet includes the following attachments:

1. **Public Property Construction Permit/Application**
2. **Public Property Construction Bond Form (Surety)**



**THE FOLLOWING ITEMS MUST BE SUBMITTED  
TO THE ENGINEERING DEPARTMENT.**



***Please check your submittal for completeness  
to avoid delays in approval and  
issuance of the permit.***

- \_\_\_\_\_ 1. **Public Property Construction Permit.** Fill out the applicant's information section, up to, and including the "Project Title & Location".

- \_\_\_\_\_ 2. **Permit Fee of: \$145.00 - for permits that *do not* involve pavement or sidewalk cutting**  
**\$455.00 – for permits that *do* involve pavement or sidewalk cutting**
- \_\_\_\_\_ 3. **Cost Estimate Letter.** Provide a letter, on company letterhead if applicable, stating:
- (a) the nature of the work to be done within public property,
  - (b) the cost of the work to be done within public property,
  - (c) the amount of sales tax charged and indicating if it is included in the total of the cost.
- \_\_\_\_\_ 4. **Public Property Construction Bond - Performance and Maintenance.** Unless determined otherwise by the City Engineer or his designee, the **bond term is for 2 years/24 months** and the bond amount is **125%** of the estimated construction cost, **including tax**, of the work to be done within public property. **We require the “original” of the bond form.** You will receive a copy of the form after the City has signed its acceptance.

**Note:** The 2 year bond term begins at ***date of acceptance of the work*** by the City Inspector. Note that depending on the nature of the work being performed additional inspections prior to final inspection at work completion may be required. **It is the contractor’s responsibility to contact the City Inspector and schedule any and all inspections required.**

**Be sure the following items are included with the form:**

- \_\_\_\_\_ Notarized Surety Acknowledgment;
- \_\_\_\_\_ Notarized applicant signature as Individual, Partnership, or Corporation;
- \_\_\_\_\_ Original “Power of Attorney” form provided by the surety agent;
- \_\_\_\_\_ If you are posting a Frozen Funds or Cash Bond:
  - (1) obtain and fill out the appropriate Frozen Funds or Cash Bond supplemental form from the Engineering Department,
  - (2) attach the supplemental form to the “Public Property Construction Bond - Performance and Maintenance” form

\_\_\_\_\_ 5. **Certificate of Insurance.** The applicant shall obtain and submit a general liability insurance policy "Certificate of Liability Insurance", with limits written on an occurrence basis. Such limits to be set by the City Engineer based on the complexity and scope of the work involved. Unless otherwise required, the limits shall be one (1) million dollars. The policy shall be maintained in full force and effect throughout the construction period and the maintenance guarantee period. **Such policies shall name the City as an "Additional Insured" and shall contain a provision preventing cancellation except upon thirty days advance written notice to the City.**

**A. The cancellation clause appearing on the Certificate must be revised as follows:**

~~SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.~~

**B. The "DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS" section on the Certificate shall state the following:**

~~THE CERTIFICATE HOLDER IS ADDITIONAL INSURED AS RESPECTS THE OPERATIONS OF THE NAMED INSURED PER THE ATTACHED ENDORSEMENT, FORM NUMBER \_\_\_\_\_.~~

**C. The endorsement shall be attached and include the policy number and name the City of Poulsbo as the "State or Political Subdivision".**

**D. If the insurance underwriter refuses to amend the cancellation clause as required above, the agent must provide a letter to the City stating that s/he will take responsibility for providing the City with the required notice. The permit will not be issued without amendment of the clause or a letter of commitment of notice from the agent.**

\_\_\_\_\_ 6. **Sketch or Engineered Drawings.** At a minimum, a sketch of the proposed work must be submitted. Depending on the nature and complexity of the work, engineered drawings may be required. If the permit is associated with a project for which engineered drawings have been previously approved, then no additional sketch or drawing is required.

\_\_\_\_\_ 7. **Traffic Control Plan.** Depending on the nature of the proposed work, the requirement for a traffic control plan may be waived.

\_\_\_\_\_ 8. **City of Poulsbo Business License.** A current City of Poulsbo Business License must be on file with the City Clerk for all contractors **and** subcontractors. Applications may be obtained by calling the City Clerk's office at (360) 394-9880.

\_\_\_\_\_ Contractor Business License on file

\_\_\_\_\_ Subcontractor(s) Business License on file

\_\_\_\_\_ 9. **Washington State Contractor's License.** Submit a copy of the current Washington State Contractor's License for all contractors **and** subcontractors.

\_\_\_\_\_ Contractor Washington State License copy

\_\_\_\_\_ Subcontractor(s) Washington State License copy

***Please check your submittal for completeness  
& inclusion of the above items  
to avoid delays  
in approval and issuance of the permit.***



**City of Poulsbo**  
 200 NE Moe St  
 Poulsbo, WA 98370  
 City Engineer: 360-779-4078

Permit No. \_\_\_\_\_

**PUBLIC PROPERTY CONSTRUCTION PERMIT**

The undersigned hereby applies for permission to perform work on City-owned property, street right-of-way, or utility easements. The Applicant agrees to perform the work in strict compliance with all applicable City, AWWA, APWA, and other construction standards. This Permit is subject to all terms, conditions and provisions contained in PMC Chapter 12.08 and any additional written terms which are identified below and attached to this Permit.

NAME OF APPLICANT \_\_\_\_\_ DATE \_\_\_\_\_

ADDRESS \_\_\_\_\_ PHONE \_\_\_\_\_

BY \_\_\_\_\_ NAME \_\_\_\_\_  
SIGNATURE PRINT

TITLE \_\_\_\_\_

NAME OF CONTRACTOR (If different from Applicant) \_\_\_\_\_

PROJECT LOCATION \_\_\_\_\_

WORK TO BE PERFORMED \_\_\_\_\_

**PAVEMENT CUT REQUESTED: NO  YES / WINDOW  YES / TRENCH YES / SIDEWALK**

START DATE \_\_\_\_\_ ESTIMATED COMPLETION DATE \_\_\_\_\_

*The Applicant has the sole responsibility to notify all property owners when any property is potentially liable to suffer any injury, damage, or inconvenience through the performance of work under this Permit and the Applicant shall make all necessary arrangements to protect such property.*

**UTILITY DAMAGE IS COSTLY – CALL BEFORE YOU DIG: 1-800-424-5555**

**↓ TO BE COMPLETED BY THE CITY PERMIT COORDINATOR ↓**

**PERMISSION IS HEREBY GRANTED** to the above applicant to perform the work subject to the following:

- \_\_\_\_\_ PROVIDE TRAFFIC / PEDESTRIAN CONTROL PLAN (WRITTEN AND SKETCHED) IN COMPLIANCE WITH THE "MANUAL ON UNIFORM TRAFFIC CONTROL DEVICES"
- \_\_\_\_\_ DO NOT DISTURB PAVEMENT
- \_\_\_\_\_ REPAIR PAVEMENT PER CITY AND APWA STANDARDS
- \_\_\_\_\_ COMPLIANCE WITH THE ATTACHED "CONDITIONS OF APPROVAL"
- \_\_\_\_\_ OTHER \_\_\_\_\_

- The initial fee for a Public Property Construction Permit covers the cost of processing the Permit plus two inspections. In accordance with PMC 3.12, the current fee is \$ 145.00/455.00(with pavement or sidewalk cut). The cost of additional inspections shall be charged to the Applicant as set forth in PMC 3.12. The current hourly rate is \$ 65.00.
- A guarantee for performance and maintenance shall be provided as a  surety bond, cash deposit, or frozen fund account in the amount of \$ \_\_\_\_\_ OR, in limited circumstances, as determined by the City Engineer, an  Agreement. The maintenance period shall be for a term of 2 year(s) following completion of the work and approval/acceptance of the work by the City Engineer.
- No work shall be performed under this Permit until the Permittee has provided the City Engineer with 24 hours notice of the commencement of the work. **The Applicant shall call 24 hours in advance to request inspections.** The Applicant certifies that he will give 48 hours notice to the underground utility locate center before commencing work.

**RECEIVED:**  FEES  BOND  AGREEMENT

FRANCHISE UTILITIES:  
 FEES PAID  "BLANKET" BOND ON FILE

APPROVED BY \_\_\_\_\_ DATE \_\_\_\_\_  
SIGNATURE / PRINT

PERMIT VOID UNLESS WORK IS COMPLETED BY \_\_\_\_\_  
DATE

INSPECTED BY \_\_\_\_\_ COMMENTS:  NO  YES (BACK OF PAGE)  
INITIALS / DATE



CITY OF POULSBO
PERFORMANCE AND MAINTENANCE BOND

BOND #: \_\_\_\_\_ BOND AMOUNT: \$ \_\_\_\_\_

PERMIT #: \_\_\_\_\_

DATE EXPIRES: twenty four months from the final and written acceptance by the City

RE: Project Name: \_\_\_\_\_
Project Address/Location: \_\_\_\_\_
Owner/Developer/Contractor: \_\_\_\_\_

If this document is being completed by a Surety, all paragraphs apply. If a Surety is being substituted with either a frozen fund account with a financial institution or a cash deposit with the City of Poulsbo, paragraphs 5, 6, 7, 8, 9 and 10 are not applicable and the agreement described in the Performance Agreement - Frozen Fund Account Form, paragraphs 5 and 6 or Performance Agreement - Cash Deposit Form, Paragraphs 4 and 5 are adopted.

KNOW ALL PERSONS BY THESE PRESENTS:

1. \_\_\_\_\_, (hereinafter "Principal"), has applied to the City of Poulsbo (hereinafter "City") for development approval for an excavation or underground construction permit (hereinafter "Permit") to construct \_\_\_\_\_

on City-owned real property at \_\_\_\_\_

2. The approval granted by the City and the provisions of the Poulsbo Municipal Code require that a surety bond or other financial security be furnished by the Principal to the City conditioned upon completion of all work and restoration to be performed under the above-referenced permit within a specified time and guaranteeing the work, including repair and/or replacement against defects in workmanship, materials or installation for 24 month(s) after written and final acceptance of the same and approval by the City.

3. The work shall remain free of defects in material, workmanship and installation for a period of twenty four ( 24 ) month(s) from the final and written acceptance by the City; and in the case of landscaping, shall survive for a period of \_\_\_\_\_ (\_\_\_\_\_) month(s) from the date of final and written acceptance by the City. Maintenance is defined as acts carried out to prevent a decline, lapse or cessation of the state of project as accepted by the City during the 24 month period following final and written acceptance, and includes, but is not limited to, repair or replacement of defective workmanship, materials or installation.

These improvements include, but are not limited to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Pursuant to the requirements of RCW 39.08, the undersigned Principal and \_\_\_\_\_

\_\_\_\_\_, (check one of the following boxes):

- a corporation authorized to transact surety business in the State of Washington (hereinafter "Surety") for performance and maintenance bonds, or
- a financial or banking institution (hereinafter "Bank") for frozen fund accounts, or
- the City of Poulsbo (hereinafter "City") for cash deposits,

agree and bind themselves, their heirs, executors, administrators and assigns, unto the City in the sum \_\_\_\_\_ of

dollars (\$ \_\_\_\_\_), lawful money of the United States, according to the following terms and conditions:

5. The Principal shall, at its sole cost and expense, carefully replace and/or repair any damage or defects in workmanship, materials or installation to the real property on which the construction contemplated by the permit is to take place, and/or any City-owned facility thereon, and leave the same in as good condition as it was before the commencement of the work. The Principal shall complete the construction contemplated in the permit and restore the real property and facilities not later than \_\_\_\_\_, 20\_\_\_\_.

6. The Principal and Surety agree that in the event any of the improvements or restoration work installed or completed by the Principal or Surety pursuant to the above-referenced permit, plans, conditions and file, fail to remain free from defects in materials, workmanship or installation, for a period of twenty four (24) month(s) from the date of acceptance of the work by the City, the Principal shall repair and/or replace the same within ten (10) days of demand by the City, and if the Principal should fail to do so, then the Surety shall, within twenty (20) days of demand by the City, make a written commitment to the City that it will either:

- A. remedy the defect(s) itself with reasonable diligence pursuant to a time schedule acceptable to the City, or
- B. tender to the City within an additional ten (10) days, the amount necessary as determined by the City, for the City to remedy the defect(s), up to the total bond

amount.

The Surety shall then fulfill its obligations under this bond, according to the requirement selected by the Surety under either paragraph 6.A or 6.B above. If the Surety elects to fulfill its obligation under paragraph 6.B above, then upon completion of the remedy, the City shall notify the Surety of the actual cost of the remedy. The City shall return, without interest, any overpayment made by the Surety, and the Surety shall pay to the City any actual cost which exceeded the City's estimate, limited to the bond amount.

7. Any corrections required shall be commenced within ten (10) days of notification by the City and completed within thirty (30) days of the date of notification. If the work is not performed in a timely manner, the City shall have the right, without recourse to legal action, to have said work performed, at the expense of the Principal pursuant to the provisions of Poulsbo Municipal Code 17.12.090.

8. No change, extension of time, alteration or addition to the work to be performed by the Principal shall affect the obligation of the Principal or Surety on this bond, and the Surety waives notice of any such change, extension, alteration or addition thereunder.

9. In the event that the Principal fails to complete all of the construction and restoration within the time period specified, or in the event the Principal fails to remedy any defect within the time period prescribed by the City, the City shall have the right, at its sole election, to enter on the property described above for the purpose of completing the construction, excavation, restoration or remedying the defect. This paragraph shall not be construed to obligate the City in any way to complete such excavation, construction, restoration or to remedy any defect, and in the event that the City does so, the Principal and Surety shall remain liable to the City to pay all costs of the same.

10. This bond shall remain in full force and effect until the obligations secured hereby have been fully performed and until released in writing by the City at the request of the Surety or Principal.

11. It is hereby specifically agreed by and between the parties that in the event any legal action must be taken to enforce the provisions of this bond or to collect said bond, the prevailing party shall be entitled to collect its costs and reasonable attorney fees as a part of the reasonable costs of securing the obligation hereunder. In the event of settlement or resolution of these issues prior to the filing of any suit, the actual costs incurred by the City, including reasonable attorney fees, shall be considered a part of the obligation hereunder secured. Said costs and reasonable legal fees shall be recoverable by the prevailing party, not only from the proceeds of this bond, but also over and above said bond as a part of any recovery in any judicial proceeding, in addition to recovery on the bond.



DATED THIS \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Principal Not valid without notary signature

\_\_\_\_\_  
Surety Not valid without notary signature

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Business Name

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
Business Address (mailing)

\_\_\_\_\_  
City, State, Zip Code

\_\_\_\_\_  
City/State/Zip Code

Telephone: \_\_\_\_\_

\_\_\_\_\_  
Business Telephone Number

\_\_\_\_\_  
**Acceptance by City of Poulsbo** (signature and printed name)

Title: \_\_\_\_\_

Date: \_\_\_\_\_

<p><b>CHECK FOR ATTACHED NOTARY SIGNATURE</b></p> <p><input type="checkbox"/> Combined - Individual/Partnership/Corporation</p> <p><input type="checkbox"/> Surety Acknowledgment</p> <p><b>CHECK IF EITHER OF THE FOLLOWING DOCUMENTS ARE ATTACHED</b></p> <p><input type="checkbox"/> Performance Agreement – Frozen Fund Account</p> <p><input type="checkbox"/> Performance Agreement – Cash Deposit</p> <p>If either Performance Agreement is checked all parties agree that the attached documents are incorporated by reference as if stated herein.</p>
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**ACKNOWLEDGMENT**  
**Corporation, Partnership, or Individual**

STATE OF WASHINGTON            )  
  ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally \_\_\_\_\_ appeared

\_\_\_\_\_, to me known to be the (check one of the following boxes):

- \_\_\_\_\_ of \_\_\_\_\_, the **corporation,**
  
- \_\_\_\_\_ of \_\_\_\_\_, the **partnership,**
  
- individual,**

that executed the foregoing instrument to be the free and voluntary act and deed of said  
 corporation,  partnership,  individual for the uses and purposes therein mentioned, and on oath stated that he she was authorized to execute said instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print or type name

**NOTARY PUBLIC**, in and for the State of  
Washington, residing at: \_\_\_\_\_

My Commission expires: \_\_\_\_\_

**SURETY ACKNOWLEDGMENT**

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared \_\_\_\_\_, to me known to \_\_\_\_\_ be \_\_\_\_\_ the \_\_\_\_\_ of \_\_\_\_\_, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that \_\_\_\_\_ was authorized to execute said instrument.

WITNESS my hand and official seal hereto affixed the day and year first above written.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print or type name  
**NOTARY PUBLIC**, in and for the State of  
Washington, residing at: \_\_\_\_\_

My Commission expires: \_\_\_\_\_