



Chandler • Arizona
Where Values Make The Difference

Performance Bond Procedure

In accordance with City of Chandler Code Chapter 47 Section 9, the developer of a project within the City is required to either post a performance bond guaranteeing the completion of offsite improvements or to sign an Occupancy Clearance Agreement (OCA). The Occupancy Clearance Agreement covers the entire project as recorded on the Final Plat and is an Agreement between the City of Chandler and the Developer to withhold any and all clearances (including conditional) until a Final Acceptance is issued. Model homes, as listed on the Agreement, may be granted power for sales purposes only. If an OCA is issued for a project, the City will be *unable to issue a Conditional Acceptance for the project*. If phasing of a project is desired, each phase (except models) shall require a separate Final Plat. No clearances for occupancy will be granted until all work is complete, as-builts are accepted, warranty bonds are posted and all assessments/fees are paid. **Once the choice is made between a performance bond or OCA, that decision is final.** Please verify that you are submitting the right forms prior to bringing them to the City. If the performance bond is chosen, please follow this procedure.

1. Upon direction of the Plan Reviewer, or upon submittal for 2nd review, the Developer shall submit certified quantities on the City's Cost Estimate form. These quantities must include *all* items as defined by City Code Chapter 46, including on-site retention, grading & drainage, etc. Please include a Developer contact person and phone number (fax if possible) for the processing of the bond. A sample quantity form has been included which may be used to meet this requirement.
2. Upon receipt of these quantities, the Plan Reviewer shall forward them to Construction Management (Development) for processing. Once received by Construction Management, the review process for quantities process will take 24 to 72 hours (excluding weekends and holidays). When completed, Construction Management (Development) will fax the finished estimation, including the total amount, and procedures for submitting the bond, to the indicated contact person.
3. Once it is ready, the bond should be submitted to Construction Management (Development) for review. This review shall take 24 to 72 hours. At the same time as bond submittal, a Certificate of Liability Insurance, that includes the City of Chandler as additional insured must be submitted. The amounts for this insurance must be at least \$1,000,000.00 per occurrence.
4. Upon approval of the bond, Construction Management (Development) will record such approval in the City's Permits Plus system. Permits may be issued at this time.
5. Upon issuance of the Letter of Final Acceptance, the performance bond will be released to the bonding company.

Bonds must be in a form acceptable to the City. Such forms include a bond issued by a surety licensed to do business in the State of Arizona, and who is listed on the Department of the Treasury's Listing of Approved Sureties (Department Circular 570). Other acceptable assurances include a CD (with the City listed).

For more information regarding the types of bonds acceptable, or for processing of the bond, contact Daryl Racz at (480)782-3336.

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