

July 14, 2017

Indra K. Sarju, CPPB, Purchasing Agent
City of Aventura
Government Center
19200 West Country Club Drive
Aventura, FL 33180
isarju@cityofaventura.com



RE: Bid/Contract No.: 17-04-25-2, City of Aventura Maintenance and Repair Work for City Roads, Streets and Facilities

Dear Ms. Sarju,

The Florida Surety Association (FSA) is a trade association whose membership includes the vast majority of surety companies that are licensed to write fidelity and surety bonds in the state of Florida. These surety company members write construction surety bonds supporting contractors that are working on projects for the City of Aventura as well as cities, counties, municipalities, and private owners throughout the state of Florida. Our membership has brought to our attention concerns regarding the payment bond for the captioned project.

We would like to call your attention to Paragraph 1. of the payment bond form, stating that the Contractor "...indemnifies and pays City all losses, damages (specifically including, but not limited to, damages for delay and other consequential damages caused by or arising out of the acts, omissions or negligence of Contractor), expenses, costs and attorney's fees including attorney's fees incurred in appellate proceedings, that City sustains because of default by Contactor under the Contract.." This is exact wording from Paragraph 2. of the performance bond, which is what provides the necessary protection for the City.

Our issue is that the City is not a valid claimant under the payment bond and an argument could be made that the City essentially gets double performance coverage by including the aforementioned language in the first paragraph of the Payment bond, which is unacceptable to the industry. We recommend that the City remove Paragraph 1. from the payment bond form.

Please contact me so that the Florida Surety Association can discuss any concerns the City of Aventura may have with our request and we can assist in developing a solution that the surety industry will support while continuing to protect the City's interest.

Sincerely,

Ayesh Bhagvat
President, Florida Surety Association

Florida Surety Association
600 N. Westshore Blvd., Suite 800
Tampa, FL 33609

(813) 354-3761
President@FloridaSurety.com
<http://www.floridasurety.com>