

Memorandum

To: Whom It May Concern

From: Larry Bradley, Director Planning and Zoning

Date: March 5, 2010

Re: **Types of Performance Bonds Acceptable for Public Works and Planning and Zoning Projects**

1. Cash

- To be deposited in the Planning & Zoning Escrow Fund

2. Certified Check

- Payable to the Town of Westport to be deposited in the Planning & Zoning Escrow Fund

3. Bank Check/Cashiers Check

- Payable to the Town of Westport to be deposited in the Planning & Zoning Escrow Fund

4. Savings Passbooks/Statement Savings Account

- In the name of the Town and the applicant
- Two signatures are required for withdrawal
The Town Controller
The applicant
- A signature card with the applicant's signature and a line for the Town Controller's signature
- The applicant's Tax I.D. number must be on the passbook account
- Two withdrawal slips **signed by the applicant** must be submitted with the savings passbook

5. Irrevocable Letter of Credit

Acceptable from:

- Citibank NA
- Bank of America NA
- TD Bank NA
- Peoples United
- Bank of New York

- Webster Bank
- Citizens Bank
- Chase Bank NA
- Wachovia NA

Or any bank that is a qualified designated depository for the Town of Westport acceptable to the Controller of the Town of Westport

- The letter must be for a time period of not less than 5 years
- The letter must state that sixty (60) days notice will be provided the Town of Westport if the Letter of Credit is not to be renewed.

Said notice must be sent by certified mail

- The Letter of Credit must state that the revocation or modification of the Letter of Credit on behalf of the beneficiary is effective only upon the written consent of the Controller for the Town of Westport.

6. Performance Bonds Underwritten by Insurance Companies

- A Performance Bond can ONLY be accepted from an Insurance Company licensed to do business in the State of Connecticut.
- The Insurance Company's unsecured senior debt or claims paying ability is rated at least AA by:
Standard and Poor's
Moody's or
Duff and Phelps
- The Insurance Company must have reported profitable operations for the two most recent fiscal years.
- Evidence of the Insurance Company's rating by one of the named credit rating services must be submitted to the Town along with the performance bond.
- If the Corporation offering the obligation is a wholly owned subsidiary of the Insurance Company, then the Insurance Company must meet the above standard.
- If the bond is for an amount less than \$30,000 then an A rating is acceptable if proof is presented that a company with a AA rating is not available.

Bonds are not deemed released by the Town of Westport until a formal vote authorizing the release is taken by the Planning and Zoning Commission.