

Policy on Performance Bonds and Letters of Credit

Whenever the Board accepts a Performance Bond, Letter of Credit, or other security instrument pursuant to RSA 674:36, III, the following policies shall apply:

- 1) The Board shall require the applicant to post non-lapsing, or self calling bonds in a form acceptable to the Board or cash.
- 2) Upon the Board's acceptance a bond letter of credit, or cash, it shall:
 - a. Ensure that the lapse date is noted and the issue of the impending lapse place on the Board agenda for review at a meeting at least 60 days prior to its lapse date,
 - b. Request the Town Administrator also calendar the issue of the impending lapse of the bond and send a memo to the Board at least 60 days prior to its lapse date,
 - c. Require that the engineer doing the inspections on behalf of the Board file a written report with the Board at least 60 days prior to its lapse date, detailing what work has been completed and what work remains to be done. This provision shall be made part of the contract with the engineer. The cost of said report shall be borne by the applicant.

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 - e. Request the Town Administrator also calendar the issue of the impending lapse of the bond and send a memo to the Board at least 60 days prior to its lapse date,
 - f. Require that the engineer doing the inspections on behalf of the Board file a written report with the Board at least 60 days prior to its lapse date, detailing what work has been completed and what work remains to be done. This provision shall be made part of the contract with the engineer. The cost of said report shall be borne by the applicant.