**INSTRUCTIONS FOR USE**

**CONSTRUCTION CONTRACT**

**[CONTRACTS UNDER $15,000/$60,000]**

This contract is intended for use on small projects which are under a school district’s bid threshold. Unless your district has adopted the Uniform Construction Cost Accounting Principles, the bid threshold for construction work is $15,000. If your district has adopted the principles, the threshold increases to $60,000.

If your project exceeds the bid limits, or you believe its complexity warrants a more detailed agreement, use Form 09s-Construction Agreement (Smaller Projects) found in the Schools Legal Service public works bid packet. For very large projects, Form 09-Construction Agreement is used together with a set of General Conditions, Form 10.

This contract is posted in fillable Word format and permits you to fill in the blanks in the electronic version of the document. You will also be able to save the document when completed.

Introductory Paragraph. Fill in the name of the district and the legal name of the contractor. A description of the legal status of the contractor is desirable. (Example: Acme Construction, Inc., a California Corporation *or* ABC Builders, a partnership, etc.)

Section 1. Project. Fill in the name of the project and a description. Example: “. . . required for the construction of the ABC School District Acme Middle School Septic System Upgrade, consisting of the replacement of portions of the District’s existing septic system and . . . .”

Section 2. Contract Price. Fill in the contract price as stated in the successful bid awarded to the contractor.

Section 6. Liquidated Damages. Fill in the amount for the daily rate of liquidated damages. You should consult with legal counsel concerning this figure. It takes into account the size of the project, the completion date in relation to the district’s need for the facility and the consequences to the district and the public if the project is not delivered on time.

Section 8. Performance Bonds/Payment Bonds. A performance bond is not required by law and a payment bond is only required for projects exceeding $25,000. However, while this agreement only calls for bonds on contracts over that amount, a school district is free to require the contractor to furnish either or both types of bonds for contracts under that amount, as appropriate to the circumstances. Bid prices will most likely be increased to cover this cost.

Section 17. Prevailing Wage Rates and Payroll Records. This contract does not contain provisions relating to labor compliance programs as it was assumed that a project of this size would not be state bond-funded. Please contact our office for appropriate language if a labor compliance program will be in effect for this project. Note that **all** construction contracts over $1,000 require payment of prevailing wage rates.

Section 25. Contractor’s License and DIR Registration. Fill in the required classification of contractor’s license here.