

#2 Unfinished Business

City of Cambridge

MASSACHUSETTS

In City Council June 11 1979

CS moved Adoption

	YEA	NAY	ABSENT	PRESENT
Mr. Crane	✓			
Mr. Duehay	✓			
Mr. Frisoli	✓			
Ms. Graham	✓			
Ms. Preusser	✓			
Mr. Sullivan	✓			
Mr. Vellucci	✓			
Mr. Wylie	✓			
Mayor Danahy			✓	

8 0 1

Re: Bond For Performance of Contract

Passed . to be ordained.



City of Cambridge

In the Year One Thousand, Nine Hundred Seventy-Nine

AN ORDINANCE

In amendment to an ordinance formerly entitled: "The General Ordinances of the City of Cambridge" as revised in 1972 and now designated as "The Code of the City of Cambridge."

Be it ordained by the City Council of the City of Cambridge as follows:

Chapter 2 entitled: "Administration", Section 2-181 entitled: "Bonds for performance of contract" is hereby amended by striking out the first sentence and inserting in place thereof the following:

Any contract exceeding Two Thousand (\$2,000.00) Dollars for any work to be done for the City, may be required to be accompanied by a bond with sureties satisfactory to the board or official having the matter in charge, or by a deposit of money, certified check or other security for the faithful performance thereof.

The entire section will then read as follows:

Sec. 2-181. Bonds for performance of contract:

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In City Council June 11, 1979.

Passed to be ordained by a yea and nay vote:- Yeas 8; Nays 0;
Absent 1.

James L. Sullivan, City Manager.

ATTEST:- Paul E. Healy, City Clerk.



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James L. Sullivan, City Manager.

ATTEST:- Paul E. Healy, City Clerk.



CITY OF CAMBRIDGE
INTEROFFICE CORRESPONDENCE

To James L. Sullivan
City Manager

Date February 9, 1979

From Richard C. Rossi
Purchasing Agent

Reference

Subject

The reasons for recommending that the City Purchasing Ordinance be changed to coincide with the State Purchasing Laws are as follows:

1. It would enable me to exercise more discretion when dealing with bids involving well established firms. Where the requirements now insist on a performance bond up to 25 percent on all contracts, a great deal of time is lost; sometimes six to eight weeks or longer in waiting for a bond to be sent. This causes a great backlog in ordering and even a greater delay in paying bills. Vendors constantly complain that they must post a performance bond, but yet in many cases the City fails to pay in thirty days.
2. I have polled Purchasing Agents in many cities and towns and find that their ordinances all coincide with the State Law, and that contracts are executed in a much faster process.
3. In doing business with vendors who have served the City over a long period of time, the requirement is virtually unnecessary, in that their past record speaks for their ability to perform.
4. In allowing me more discretion, be assured that I will exercise the option of a performance bond on bids where we are unsure of what the performance may be, and I fully understand that we cannot waive performance bonds on any construction or labor intensive projects.

As a matter of record, I currently have a list of some twenty contracts which are still outstanding; some of them dating back six months where bonds have yet to be forwarded to us. The majority of these companies are all well established companies with whom we have no problems as far as delivery, service, and quality is concerned, yet we still require a bond on their contracts.

RCR/eoh

PUBLICATIONS

FIRST PUBLICATION NO. 1996

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Passed to a second reading at the City Council meeting of April 30, 1979 and on or after May 21, 1979 the question may be on passing to be ordained.

ATTEST:— Paul E. Healy, City Clerk.

PUBLISHED IN: BOSTON HERALD AMERICAN

EDITION: CAMBRIDGE - SOMERVILLE PAGE

DATE: Monday, May 7, 1979



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City of Cambridge

In City Council..... May 7, 1979.....

The Ordinance Committee, comprised of the entire membership of the City Council, to which was referred a proposed amendment to the General Ordinances of the City of Cambridge relative to performance bonds for contracts exceeding Two Thousand Dollars (\$2,000), held a public hearing at 6 P. M. on Monday, April 30, 1979 in the City Council Chamber.

Mr. Richard Rossi, Purchasing Agent, appeared before the Committee and stated he had proposed this amendment essentially for two reasons: One to bring the purchasing ordinance in line with the present state statute which allows the state the option of requiring a performance bond; and two, to allow him discretion in requiring a performance bond being required. Mr. Rossi stated that currently this requirement makes it difficult to maintain an efficient purchasing operation since often the posting of a performance bond could take several weeks. This option would expedite the awarding of contracts. This change, however, he stated, would not effect construction contracts.

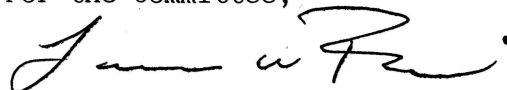
Councillor Duehay requested the Purchasing Agent publish from time to time a list of those contractors from which performance bonds would be required.

Mr. Rossi stated that he would comply with such a request.

Councillor Frisoli, at this time, moved that the proposed ordinance be referred to the City Council recommending it be passed to a second reading.

This motion was unanimously agreed to by all those present.

For the Committee,



Councillor Lawrence W. Frisoli
Chairman

0-33

1.

REPORT

Committee on Ordinances re: contract performance bonds.

*Passed to be ordained
6/11/79 - 8-0-1
published Chronicle 6/14/79*

In City Council,

May 14, 1979

*Placed on File -
Ordinance ready
FOR*

*Ordination 5/21/79
Passed to Second
Reading 4/30/79
Chronicle - 5/7/79*