

Important Notice Regarding Permits for Construction within Public Right-of-Way

Performance/Warranty Guarantee for Permits

City Ordinance Section 38-167 states:

“Each permittee, before being issued a permit under this article, shall provide the City, at the permittee’s expense, a performance warranty/guarantee....” (see attached)

In order to be granted a Permit for Construction Within Public Right-of-Way, along with your completed Permit Application you will need to submit to this office:

- A cash deposit, or in lieu of cash, a Certified Check; or,
- A letter of credit; or,
- A license and permit bond acceptable in form and content to the City; or
- In the case of some utilities, an annual letter of guarantee:

In the amount of \$10,000, or a higher amount if the estimated cost of restoration warrants.

If, in the opinion of the City, the cost of restoration for any single project is less than \$1,000.00, the City may consider waiving this requirement.

For further details, please read the attached excerpts from the City’s Code of Ordinances. If you have any questions, please contact:

Ken Haley
Engineering Manager
970-244-1543
kennethh@gjcity.org

John Shaver
City Attorney
970-244-1506
johns@gjcity.org

Sec. 38-167. Performance/warranty guarantee for permits.

Each permittee, before being issued a permit under this article, shall provide the City, at the permittee's expense, a performance warranty/guarantee in accordance with one of the following:

(a) The guarantee may be in the form of cash, a letter of credit or a license and permit bond, acceptable in form and content to the City, in an amount equal to one hundred (100) percent of the City Manager's estimate of the cost of restoration. The cost of restoration shall include the removal of defective material, recompaction of subgrade and base material and construction of surface improvements. The license and permit bond or letter of credit shall run for a period of time at least one year beyond the anticipated acceptance date of any work done under the right-of-way permit(s). Such guarantee(s) shall be extended if requested by the City Manager; or

(b) The guarantee may be in the form of cash, a letter of credit or a license and permit bond, acceptable to the City in form and content, in the principal sum of ten thousand dollars (\$10,000.00) payable to the City of Grand Junction upon failure of the permittee to restore all of the right-of-way to a condition comparable to that which existed at any location at which work is performed by the permittee under one or more permits issued to the permittee. The cost of restoration shall include the removal of defective material, recompaction of subgrade and base material and construction of surface improvements.

(c) If no written refund request of a cash deposit is received, the deposit shall be carried forward and applied as the performance/warranty guarantee (in whole or in part as the fee may be established by the City Council) for the following year.

(d) Other guarantees. In lieu of the requirements of (a) and (b) of this section, any public utility regulated by the State's public utilities commission, any person holding a franchise from the City, a mutual water district, any governmental agency or any metropolitan water and/or sanitation district or conservancy district may provide the City with an annual letter signed by an appropriate officer guaranteeing:

- (1) complete performance of the work acceptable to the City; and
- (2) the correction of any defect in the work which the City discovers and for which the City gives written notice to the permittee within one year after the date when the City initially accepts the work.

(e) If the City Manager determines that any permittee fails to perform promptly under the conditions of this subsection (d), that permittee shall be required to post a performance/warranty guarantee meeting the requirements of subsection (b) of this section. If the City Manager determines that the permittee then satisfactorily complies with this article for a one-year period while operating under the provisions of subsection (b) of this section, the permittee shall again be eligible to operate with the annual letter guarantee provided in this subsection (d). Notwithstanding anything to the contrary contained in this section, any contractor performing work pursuant to a contract with the City shall adhere to the performance and payment requirements set forth in the contract documents.

Sec. 38-168. Purpose of performance/warranty guarantee.

(a) Any guarantee made under this article shall serve as security for the performance of work necessary to repair the public way if the permittee fails to make the necessary repairs or to complete the work under the permit.

(b) The permittee, by acceptance of the permit, expressly guarantees complete performance of the work acceptable to the City under this article and guarantees all work done by him for a period of one year after the date of acceptance, and agrees upon demand to maintain and to make all necessary repairs during the one-year period. This guarantee shall include all repairs and actions needed as a result of:

- (1) Defects in workmanship;
- (2) Settling of fills or excavations;
- (3) Any unauthorized deviations from the approved plans and specifications;
- (4) Failure to barricade;
- (5) Failure to clean up during and after performance of the work;
- (6) Any other violation of this article.

(c) The requirement for a performance/warranty guarantee may be waived by the City Manager if, in his opinion, the cost of restoration on any single project is less than \$1,000.00 and the work is being performed by a contractor licensed by the City to perform work within the City. The waiver shall be made only on the requirement for a performance/warranty guarantee and does not relieve the contractor of any other requirement(s) stated in section 38-167 or other applicable sections of this article.

LICENSE OR PERMIT BOND

Bond No. _____

LICENSE OR PERMIT BOND

KNOW ALL BY THESE PRESENTS, That we _____

As principle, and the _____, a(n)-
_____ corporation, as Surety, are held and firmly bound unto the City of
Grand Junction, 250 N. 5th Street, Grand Junction, Colorado 81501, as Obligee, in the sum of _
ten thousand Dollars (\$ 10,000.00) for which sum, well and truly to be
paid, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by
these presents.

Signed and sealed this _____ day of _____, 20____.

THE CONDITION OF THIS OBLIGATION IS SUCH, That WHEREAS, the Principle has been or is about to be
granted a license or permit to do business under a Permit for Construction Within Public Right of Way by
the Obligee.

NOW, Therefore, if the Principal well and truly comply with applicable local ordinances, and conduct business in
conformity therewith, then this obligation to be void; otherwise to remain in full force and effect.

PROVIDED, HOWEVER;

1. This bond shall continue in force:

Until _____, 20____, or until the date of expiration of any Continuation
Certificate executed by the Surety.

OR

Until canceled as herein provided.

2. This bond may be canceled by the Surety by the sending of notice in writing to the Obligee, stating when,
not less than thirty (30) days thereafter, liability hereunder shall terminate as to subsequent acts or
omissions of the Principal.

Principal

BY: _____

BY: _____
Attorney-in-Fact