



**pennsylvania**  
DEPARTMENT OF GENERAL SERVICES

**SMALL BUSINESS  
STANDARD FORM OF CONTRACT  
AND  
CONTRACT BOND**

**HARRISBURG, PENNSYLVANIA**

**2014 EDITION**

**SMALL BUSINESS STANDARD FORM OF CONSTRUCTION  
CONTRACT**

This CONTRACT, executed this \_\_\_\_ day of \_\_\_\_\_ 20 \_\_ , by and  
between the Department of General Services (or the Funding Agency if the project is  
administered by the Funding Agency), created by Act No. 45 of July 22, 1975, hereinafter called  
"DEPARTMENT" and

\_\_\_\_\_

at this address:

\_\_\_\_\_

\_\_\_\_\_

a corporation incorporated under the Laws of the State of \_\_\_\_\_ its  
successors and assigns, hereinafter called "CONTRACTOR".

**OR**

This CONTRACT, executed this \_\_\_\_ day of \_\_\_\_\_ 20 \_\_ , by and  
between the Department of General Services (or the Funding Agency if the project is  
administered by the Funding Agency), created by Act No. 45 of July 22, 1975, hereinafter called  
"DEPARTMENT" and

\_\_\_\_\_

at this address:

\_\_\_\_\_

\_\_\_\_\_

his, her or their heirs, executors, administrators and assigns, hereinafter called "CONTRACTOR".

**ARTICLE 1 – THE CONTRACT DOCUMENTS**

The Contract Documents consist of the Small Business Standard Form of Contract, the  
Notice to Bidders, the Instructions to Small Business Bidders, the Bid Proposal, the Contract  
Bonds (if required), the Conditions of the Contract (General, Special, Supplementary, and other  
Conditions), the drawings of all Prime Contracts, the specifications of all Prime Contracts, all  
bulletins and addenda issued prior to execution of the Small Business Standard Form of Contract,

all change orders, all schedules, and the Administrative Procedures of the Bureau of Construction. These form the Contract and are incorporated by reference as if fully set forth herein. To the extent that any of these documents are amended by statute, the statutory language will control.

**ARTICLE 2 – THE WORK**

The Contractor shall perform all the Work required by the Contract Documents for the construction of \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ARTICLE 3 – PROFESSIONAL**

The Professional for this Project is \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ARTICLE 4 – TIME OF COMMENCEMENT AND COMPLETION**

The contract duration for this Contract is \_\_\_\_\_ calendar days and shall commence upon the date which the Initial Job Conference is held for the Project. The Contractor shall commence operations on site no later than ten (10) days after the Initial Job Conference and on Small Business projects whose Contract Sum is less than \$25,000, the Contractor shall commence operations on site no later than three (3) days after the Initial Job Conference. The Contractor shall complete all Contract Work to the satisfaction and approval of the Department (or the Funding Agency on a Small Business project administered by the Funding Agency), on or before the milestones established in the Project Schedule. Contractor further agrees that time is of the essence of this Contract, and that, if the Contractor fails to complete the Work within the time specified above, the Contractor will pay the Department (or the Funding Agency on a Small Business project administered by the Funding Agency), as Liquidated Damages, and not as a penalty for such failure, the sum of \_\_\_\_\_ dollars (\$ \_\_\_\_\_) per day for each and every calendar day after the selected interim milestone dates and the contract completion date until the Work is completed and accepted. The Department (or the Funding Agency on a Small Business project administered by the Funding Agency) may extend the selected interim milestone dates or the completion date of

the Contract for causes set forth in the General Conditions of the Construction Contract and, which, in fact, delay the completion of said Work. In such case, Contractor is liable for said Liquidated Damages only after the expiration of the extended period.

### **ARTICLE 5 – CONTRACT SUM**

The Department (or the Funding Agency on a Small Business project administered by the Funding Agency) will pay the Contractor for the performance of the Work, subject to additions and deductions by change order, as provided in the General Conditions of the Construction Contract, the contract sum of \_\_\_\_\_ dollars (\$\_\_\_\_\_). Payment will be made as set forth in the General Conditions of the Construction Contract. Deductions from or additions to this sum will be made as set forth in the General Conditions of the Construction Contract.

### **ARTICLE 6 – PROGRESS PAYMENTS**

Based upon Applications for Payment submitted to the Department (or the Funding Agency on a Small Business project administered by the Funding Agency) by the Contractor, the Department (or the Funding Agency on a Small Business project administered by the Funding Agency) will make progress payments on account of the Contract Sum to the Contractor, in accordance with the provisions of the Prompt Payment Schedules found in the Commonwealth Procurement Code, 62 Pa. C.S. §3931-§3939, and the Administrative Procedures, which both are incorporated herein by reference and made a part hereof as if those provisions were fully and at length herein recited, except that, where those provisions refer to the government agency, it is deemed to refer to the Department of General Services (or the Funding Agency on a Small Business project administered by the Funding Agency).

### **ARTICLE 7 – FINAL PAYMENT**

The Final payment, constituting the entire unpaid balance of the Contract Sum, will be paid by the Department (or the Funding Agency on a Small Business project administered by the Funding Agency) to the Contractor in accordance with the provisions of the subchapter Substantial/Final Payment found in the Commonwealth Procurement Code, 62 Pa. C.S. §3941-§3942, the Administrative Procedures, and the General Conditions of the Construction Contract which all are incorporated herein by reference and made a part hereof as if those provisions were fully and at length herein recited, except that, where those provisions refer to

the government agency, it is deemed to refer to the Department of General Services (or the Funding Agency on a Small Business project administered by the Funding Agency).

### **ARTICLE 8 – UNIT PRICES**

Unit Prices contained in the bid for additions to or deductions from estimated quantities and or price are:

- Acceptable and are, therefore, incorporated into the Contract
- Are not acceptable and are not incorporated as part of the Contract
- Not applicable to this Contract

### **ARTICLE 9 – MISCELLANEOUS PROVISIONS**

- 9.1 Terms used in the Contract that are defined in the General Conditions of the Construction Contract have the meanings designated in those General Conditions.
- 9.2 In addition to any other guarantees or warranties, the Contractor covenants and agrees, after acceptance of the Work performed under this Contract, to remedy without cost to the Department (or the Funding Agency on a Small Business project administered by the Funding Agency), any such defect, provided said defects in the judgment of the Department (or the Funding Agency on a Small Business project administered by the Funding Agency), or its successors having jurisdiction in the premises, are caused by defective or inferior materials, equipment or workmanship. If the corrective Work is not completed within thirty (30) days after notification by the Department (or the Funding Agency on a Small Business project administered by the Funding Agency) to the Contractor, the Department (or the Funding Agency on a Small Business project administered by the Funding Agency) may correct the defective Work and, if a Contract Bond was required, submit those costs to the Surety Company for reimbursement or, if a Contract Bond was not required, submit those costs to the Contractor for reimbursement.
- 9.3 On projects where the Contract Sum is \$25,000 or greater, the Contract Bond given by the Contractor conditioned upon the faithful performance of the Contract and for the payment of labor, material, equipment rental and public utility service claims are attached to this contract and are made a part of it.
- 9.4 Nothing in this Contract shall be deemed to waive or otherwise affect the sovereign immunity of the Commonwealth, and its agencies, officers, and employees, or to subject any Commonwealth party to any liability not expressly authorized by law.

- 9.5 No third party acquires any rights against the Department (or the Funding Agency on a Small Business project administered by the Funding Agency) under this Contract.
- 9.6 The Contractor agrees to abide by and be bound by the Laws of Pennsylvania relating to and regulating the hours and conditions of employment.
- 9.7 Any claimant who has performed labor or furnished material in the prosecution of the Work has a right of action to recover the cost thereof from the Contractor and/or the surety on the Contract Bond given to secure the payment as set forth in Section §903(d) of the of the Commonwealth Procurement Code, 62 Pa.C.S. § 903(d). For those who do not have a contract directly with the Contractor, this right of action may not be exercised unless the Contractor receives written notification of the claim within ninety (90) days after the day on which the claimant performed the last of the labor or furnished the last of the materials for which it claims payment. The Contractor shall include in all of its subcontracts or supply contracts a provision requiring that its subcontractors and suppliers notify, in writing, their subcontractors and suppliers of this requirement. It is hereby agreed that no third party rights arise against the Department for any reason under this Section, and Contractor hereby agrees to so inform all subcontractors in writing.

## **ARTICLE 10 – CONTRACT COMPLIANCE REGULATIONS**

Refer to the appropriate paragraph of the General Conditions of the Construction Contract (which are made a part of this Contract by incorporation by reference as if fully set forth herein), which prohibits discrimination in hiring or employment opportunities. Also made a part of this Contract by incorporation by reference are all State and Federal Laws prohibiting discrimination in hiring or employment opportunities. The contract documents also list applicable statutory provisions which are incorporated by reference into this contract as if set forth fully herein.

**SIGNATURE PAGE IMMEDIATELY FOLLOWS  
REMAINDER OF PAGE INTENTIONALLY LEFT BLANK**

**IN WITNESS WHEREOF**, the Department of General Services (or the Funding Agency if the Small Business project is administered by the Funding Agency) and the Contractor have caused this contract to be executed the day and year above written.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Contractor – Individual

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Contractor – Partnership

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Contractor – Limited Liability Company

\_\_\_\_\_  
Secretary or Treasurer

\_\_\_\_\_  
Contractor – Corporation

*(Corporate Seal)*

COMMONWEALTH OF PENNSYLVANIA  
ACTING THROUGH THE DEPARTMENT  
OF GENERAL SERVICES

**OR**

COMMONWEALTH OF PENNSYLVANIA  
ACTING THROUGH THE DEPARTMENT  
OF \_\_\_\_\_

\_\_\_\_\_  
Secretary of General Services

\_\_\_\_\_  
Secretary of \_\_\_\_\_

APPROVED AS TO LEGALITY AND FORM:

\_\_\_\_\_  
Office of Chief Counsel, DGS

**OR**

\_\_\_\_\_  
Office of Chief Counsel, \_\_\_\_\_

\_\_\_\_\_  
Office of General Counsel

\_\_\_\_\_  
Office of Attorney General

I hereby certify that funds in the amount of \$ \_\_\_\_\_  
are available under Appropriation Symbol \_\_\_\_\_.

\_\_\_\_\_  
Comptroller Operations                      Date

# SMALL BUSINESS CONTRACT BOND

KNOW ALL PERSONS BY THESE PRESENTS, That we the undersigned

\_\_\_\_\_ of  
\_\_\_\_\_  
\_\_\_\_\_

as Principal  
and

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

a Corporation organized and existing under the Laws of the State of \_\_\_\_\_ and  
authorized to transact business in Pennsylvania,

as Surety

are held and firmly bound unto the Department of General Services (or the Funding Agency on a Small  
Business project administered by the Funding Agency) as hereinafter set forth, in the full and just several  
sums of

(A) \_\_\_\_\_ Dollars  
(\$ \_\_\_\_\_) for faithful performance of the Contract as designated in  
Paragraph "A" herein; and

(B) \_\_\_\_\_ Dollars  
(\$ \_\_\_\_\_) for payment for labor, material equipment rental and public  
utility services as designated in Paragraph "B".

Sealed with our respective seals and date this \_\_\_\_\_ day of 20 \_\_\_\_\_

**WHEREAS**, the above Principal has entered into a Contract with the Department of General  
Services (or the Funding Agency on a Small Business project administered by the Funding Agency) dated  
the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_ for \_\_\_\_\_

\_\_\_\_\_ upon certain terms and conditions in said Contract more particularly mentioned; and

**WHEREAS**, it is one of the Conditions of the Award of the Department of General Services (or the Funding Agency on a Small Business project administered by the Funding Agency) pursuant to which said Contract is about to be entered into, that these presents be executed;

**NOW, THEREFORE**, the joint and several conditions of this obligation are such:

A. That, if the above Principal as Contractor shall well and faithfully do and perform the things agreed by it to be done and performed according to the terms of said Contract and General Conditions, including the plans and specifications therein referred to and made part thereof, and such alterations as may be made in said plans and specifications as therein provided and which are hereby made part of this Bond the same as though they were fully set forth herein, and shall indemnify and save harmless the Department of General Services (or the Funding Agency on a Small Business project administered by the Funding Agency) and all of its officers, agents and employees from any expense incurred through the failure of said Contractor to complete the Work as specified and for any damages growing out of the manner of performance of said Contract by said Contractor or its Subcontractors, or its or their agents or servants, including, but not limited to, patent trademark and copyright infringements, then this part of this obligation shall be void; otherwise, it shall be and remain in full force and effect.

B. That, if the above Principal shall and will promptly pay or cause to be paid all sums of money which may be due by the Principal or any of its Subcontractors to any person, co-partnership, association or corporation for all material furnished and labor supplied or performed in the prosecution of the Work, whether or not the said material or labor entered into and become component parts of the Work or improvements contemplated, and for rental of equipment used, and services rendered by public utilities in, or in connection with, the prosecution of such Work, then this part of this obligation shall be void; otherwise, it shall be and remain in full force and effect.

C. It is further agreed that any alterations which may be made in the terms of the Contract or in the Work to be done or materials to be furnished or labor to be supplied or performed, or equipment to be rented, or public utility services to be rendered, or the giving by the Department of General Services (or the Funding Agency on a Small Business project administered by the Funding Agency) of any Extension of Time for the performance of the Contract, or the reduction of the retained percentage as permitted by the Contract, or any other forbearance on the part of either the Department of General Services (or the Funding Agency on a Small Business project administered by the Funding Agency) or the Principal to the other, shall not in any way release the Principal and the surety or sureties or either or any of them, their heirs, executors, administrators, successors or assigns, from their liability hereunder; notice to the surety or sureties of any such alterations, extension or forbearance being hereby waived.

D. The Principal and Surety hereby jointly and severally agree with the Department of General Services (or the Funding Agency on a Small Business project administered by the Funding Agency) herein that every person, co-partnership, association or corporation which, whether as subcontractor or as a person otherwise entitled to the benefits of this Bond, has furnished material or supplied or performed labor or rented equipment used in the prosecution of the Work as above provided

and any public utility, which has rendered services, in, or in connection with, the prosecution of such Work, and, which has not been paid in full therefore, may sue in assumpsit on this Bond in his, their, or its name and prosecute the same to final judgment for such sum or sums as may be justly due him, them, or its, and have execution thereon; provided, however, that the Department of General Services (or the Funding Agency on a Small Business project administered by the Funding Agency) shall not be liable for the payment of any costs or expenses of such suit to a third party under any theory of law or equity.

E. Recovery by any persons, co-partnership, association or corporation hereunder is subject to the provisions of the Commonwealth Procurement Code, Act of May 15, 1998, P.L. 358, No. 57, 62 Pa.C.S §§101-4509, as amended, which Act is incorporated herein and made a part hereof, as fully and completely as though its provisions were fully and at length herein recited, except that, where said Act refers to the Commonwealth of Pennsylvania or a Department thereof, it is deemed to refer to the Department of General Services (or the Funding Agency on a Small Business project administered by the Funding Agency).

[Signature Page Immediately Follows]

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

**IN WITNESS WHEREOF**, the said Principal and Surety have duly executed this Bond under seal the day and year above written.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Principal – Individual

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Principal – Partnership

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Principal – Limited Liability Company

\_\_\_\_\_  
Secretary or Treasurer

\_\_\_\_\_  
Principal – Corporation

*(Corporate Seal)*

\_\_\_\_\_  
Surety

\_\_\_\_\_  
Attorney-in-Fact

APPROVED AS TO LEGALITY AND FORM:

\_\_\_\_\_  
Office of Chief Counsel, DGS

**OR**

\_\_\_\_\_  
Office of Chief Counsel, \_\_\_\_\_

\_\_\_\_\_  
Office of Attorney General