

1501.38 SURETY BOND ~~REQUIRED; COMPLETION OF WORK.~~

(a) Every applicant for registration shall, as a condition of ~~his or her~~ registration, furnish and file with the Building Commissioner a surety bond ~~as follows in the following amounts:~~

Suppliers of mixed concrete, as defined in Section 1501.36(b) \$200,000

All other contractors or subcontractors, as defined in Section 1501.36(b) \$25,000

The surety bond ~~shall be upon an official form prescribed by the Building Commissioner must be approved as to form by the Law Director and as to sufficiency by the Auditor, guaranteeing full and faithful compliance by the applicant with this Building Code and with pertinent rules and regulations promulgated under authority of this Building Code, and binding the surety thereon to correct or abate any violation of this Building Code, or of pertinent rules or regulations promulgated under authority of this Building Code, whenever the applicant for registration named as the principal on such bond refuses, neglects or fails to correct or abate such violation within a reasonable time limit set by the Building Commissioner.~~ Failure to maintain the surety bond provided for in this section may result in the suspension or revocation of any certificate of registration or renewal thereof to do business as a contractor in the City. Continuation certificates will not be accepted.

(b) The bond required by this section shall be to guarantee full and faithful compliance by the registered contractor with all pertinent provisions of this Building Code and with pertinent rules and regulations promulgated under authority of this Building Code. ~~The bond shall be required for all work to be performed by a registered contractor involving one, two or three family dwelling structures.,~~ and to bind the surety thereon to correct or abate any violation of the Building Code and all pertinent rules and regulations promulgated under the authority of the Building Code whenever the applicant for registration named as the principal on such bond refuses, neglects or fails to correct or abate such violation within a reasonable time limit set by the Building Commissioner.

~~(c) Whenever a registered contractor has been cited by the Building Commissioner or his or her agent for a violation of this Building Code or any rule or regulation promulgated in accordance herewith, the Building Commissioner shall notify the registered contractor that the violation requires immediate correction and that the surety bond will be in jeopardy. Such a notice shall be in writing and delivered in person or by registered mail to the address shown in the contractor's registration.~~

~~(d) If the Building Commissioner determines that, after delivering a notice under subsection (c) hereof, a registered contractor has either failed to take significant action to correct the violation in accordance with the time limits established by the Building Commissioner or has failed, in good faith, to pursue the corrections diligently to completion, he or she may notify the registered contractor that he or she intends to take action against the surety bond. Such a notice shall be in writing and delivered in person or by mail to the address shown in the contractor's registration.~~

~~(e) Within three business days of delivery of the notice, the registered contractor may request a hearing before the Building Commissioner for the purpose of disputing either that a violation exists or that proper action has not been taken to correct the violation. If such a request is made in writing, the Building Commissioner shall hold such a hearing within five business days.~~

~~(f) If no request has been timely received for a hearing under subsection (e) hereof, or if, following such a hearing, the Building Commissioner finds that a violation does exist and that the registered contractor has not taken proper action to correct it, the City may then proceed to make the corrections itself by its own labor or by contracting out for such corrections. All costs incurred by the City in making such corrections may be paid from the bond in the name of the registered contractor. If, after making such deductions, there remains a balance due to the City, the City shall be free to pursue other legal recourse available to obtain full reimbursement.~~

~~(g) This section shall become effective in connection with all building permits and contractors' registrations issued from and after the effective date of this section.~~

Exhibit A

~~CITY _____ OF _____ PARMA
CONTRACTORS SURETY BOND~~

~~KNOW ALL PERSONS BY THESE PRESENTS: That we, _____
as Principal, and _____ as surety, are held and firmly bound unto the
City of Parma, Ohio in the sum of _____ Dollars, for the payment of which well
and truly to be made, we jointly and severally bind ourselves, our successors, heirs,
executors, administrators and assigns.~~

~~WITNESS our hands this _____ day of _____, 20____.~~

~~THE CONDITION OF THE ABOVE OBLIGATION IS SUCH THAT WHEREAS THE SAID _____
has made application to the Building Commissioner for a Certificate of Registration
as a _____ Contractor in the City of Parma for the year 20____.~~

~~NOW, THEREFORE, if the said _____ shall well and truly indemnify, keep
and save harmless the City of Parma, Ohio or any of its Agents, or Officials with whom
such Contractors, shall contract to do work, and shall indemnify and pay the City of
Parma for damages sustained on account of the failure of such Contractors to
perform the work so contracted for in accordance with the provisions of the Building
Ordinance of the City of Parma and Amendments thereto and any and all lawful rules
and regulations promulgated under the authority thereof, and from or by reason or
on account of anything done under and by virtue of any PERMITS issued under any
such Registration or Licensing for doing of any work required to be done then this
obligation shall be null and void; otherwise, to remain in full force and effect.~~

~~_____
(To be signed by Principal) _____ (Insurance Company)~~

~~_____
(Residence) _____ (Attorney-in-Fact)~~