

## **Bid Bonds**

A bid bond is a bond that is posted by a bidder at bid time. Should the bidder be tendered the contract but refuse to sign, the owner may forfeit the bond.

The Iowa Code requires bid bonds for most public projects. For example, the director of the Department of Administrative Services shall establish by regulation the amount of security, if any, to accompany a bid. (Iowa Code Section 8A.311.6) For municipalities and counties, the rate is no less than five percent and no more than ten percent of the estimated cost of the project. (Iowa Code Section 26.8) Normally the information for bidders contains any bid bond requirements.