

## **Bonding & Liability Issues**

Unlike general contractors under a design / bid / build project, the construction manager has no liability for the failure of the trade contractors to complete the construction or for the payment of the prime contractors' subcontractors and suppliers. Payment and performance bonds are still required under Iowa law for each prime bid package that is in excess of \$25,000.<sup>33</sup>

All of the provisions of Chapter 573 regarding claims apply to public CM agency projects, and the agent CM should clearly understand the claims process and explain it at all pre-bid meetings.

<sup>33</sup> Iowa Code § 573.2