

# **CONSTRUCTION PROCEDURES HANDBOOK**

SECTION III

SUBSECTION D-1

DATE

CONSTRUCTION START UP	PERFORMANCE BOND AND PAYMENT BOND	12/05/2011
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Subsection 151 Performance Bond and Payment Bond of the 2007 Specification requires the Contractor to submit the following to the RE:

1. Broker's Fees (see Attachment A)
2. Certified Rate Schedule (see Attachment A)
3. Report of Execution (see Attachment B)
4. Paid Invoices/Paid Bills(see Attachment C)

**Note:** Paid Invoices/Paid Bills are being added to the Special Provisions by BDC shortly.

The purposes of these submissions are as follows:

Broker fees are required to determine the total bond cost (premium cost plus broker fees)

The Certified Rate schedule is required for the RE to make payment for PERFORMANCE BOND AND PAYMENT BOND as specified in Subpart 151.04 of the Specifications on the final monthly estimate. It must be obtained as close to the initial bond issue date as practicable.

The Report of Execution provides documentation that the bond is in effect.

The Report of Execution and the Paid Invoices/Paid Bills provide the RE the actual costs paid by the Contractor. This provides the RE actual costs in order to process a payment(s) for PERFORMANCE BOND AND PAYMENT BOND on monthly estimates and on the final monthly estimate.

ATTACHMENT "A"



Travelers Bond & Financial Products  
 343 Thornall Street  
 5<sup>th</sup> Floor  
 Edison, NJ 08837  
 (732) 321-5600  
 (866) 829-0409 (Construction Fax)  
 (888) 420-5795 (Commercial Fax)

September 30, 2011

NJDOT  
 1035 Parkway Avenue, P.O.Box 600  
 Trenton, NJ 08625-0600  
 Attn: Himad Beg-Office Engineer

Re: Conti Enterprises, Inc. – Bond No. 105580409  
 Contract 1, Contract No. 000068087; River Piers & Pier Protection System, Hudson County

Dear Himad Beg:

Please see below rates as requested for Conti Enterprises, Inc., as utilized for the above referenced Performance and Payment bonds. The premium is calculated on the contract value of \$64,444,447 with a time surcharge based on completion date of October 2013.

Conti		General Construction (Class B)						
Travelers		Rate Per M	Premium Charged	Commission Percentage	Commission Paid	S/C	Premium Charged	Commission Earned
1st						1.04		
\$2,500,000	\$2,500,000	\$7.95	\$19,875	30%	\$5,962.50	%	\$20,670	\$6,201.00
Next						1.04		
\$2,500,000	\$2,500,000	\$6.60	\$16,500	15%	\$2,475.00	%	\$17,160	\$2,574.00
Next						1.04		
\$2,500,000	\$2,500,000	\$6.40	\$16,000	12.5%	\$2,000.00	%	\$16,640	\$2,080.00
Over						1.04		
\$7,500,000	\$56,944,447	\$5.90	\$335,972	5%	\$16,798.60	%	\$349,411	\$17,470.55
	\$64,444,447		\$388,347		\$27,236.10		\$403,881	\$28,325.55

Above rates good for projects up to 24 months in duration  
 Projects of 25-36 months in duration: S/C 1% per month for each month over 24 months  
 Projects of more than 36 months in duration: S/C 1%/Mo for each of months 25-36  
 S/C 2.5%/month for each month over 36 months

Sincerely,

TRAVELERS CASUALTY AND SURETY COMPANY

AnnMarie Keane  
 Attorney-in-Fact

12/05/2011

## ATTACHMENT "B"



Marlton  
 Marlton Executive Park  
 701 Route 73 South, Suite 130  
 Marlton, NJ 08053-4144  
 856-596-2198 Fax: 866-569-8451

Registered :  
 Market Segment:  
 Producer Code:

## Report of Execution

August 05, 2011  
 Small Contract  
 327025

**Principal:**  
 TRAFFIC LINES INC  
 5100 Asbury  
 Farmingdale, NJ 07727

**Account:**  
 TRAFFIC LINES INC  
 5100 Asbury  
 Farmingdale, NJ 07727

**Producer:**  
 Smith Gatta Gelok Inc.  
 Attn: Kenneth Gelok  
 1451 Route 34  
 Suite 101  
 Farmingdale, NJ 07727

**Invoiced to:**  
 Smith Gatta Gelok Inc.  
 P.O. Box 1570  
 Wall Township, NJ 07719

**LMS Bond Number:** 327011500  
**Obligee:**  
 State of New Jersey Department of Transportation  
 P.O. Box 600  
 Trenton, NJ 08625-0600

**Cross Reference:**  
**Additional Obligees:**

**Bond Period:** 07/28/11 to 06/30/12  
**Cancellation Provision:**  
**Company:** Liberty Mutual Insurance Company  
**Contract Amount:** 4,845,845.00 USD  
**Performance Amount:** 4,845,845.00 USD  
**Payment Amount:** 4,845,845.00 USD  
**Maintenance Amount:** 4,845,845.00 USD  
**Status Query Date:** 01/28/12  
**Status Query Frequency:** Every 3 Months

**Transaction Eff. Date:** 07/28/11  
**Premium Period:** 07/28/11 to 06/30/12  
**Renewal Type:** Term - No Renewal  
**Class Code:** 755  
**Co-surety:**

11 AUG 11 AM 10:55

**Bond Description:**  
 FHWA Long-life Pavement Marking Contract - South - 2011

## Transaction Comments:

Amt in USD		
Bond Premium:	Maint Premium:	Commission:
27,549.00	0.00	6,505.35
<b>Net Premium:</b>	<b>21,043.65</b>	

**ATTACHMENT "C"**

**IOA Northeast**  
 1451 Route 34  
 Suite 101  
 Farmingdale, NJ 07727  
 732.751.2900

**Invoice**

<b>Client</b>	Traffic Lines Inc.-Bonds 1121
<b>Date</b>	07/28/2011
<b>Client Service</b>	Kenneth Gelok Dawn Jones
<b>Page</b>	1 of 1

Traffic Lines Inc.-Bonds  
 5100 Asbury Rd.  
 Farmingdale, NJ 07727

Payment Information	
<b>Invoice Summary</b>	27,549.00
<b>Payment Amount</b>	
<b>Payment for:</b>	Invoice #37423 327-011-500

Thank you

Please detach and return with payment

Client: Traffic Lines Inc.-Bonds

Invoice	Effective	Transaction	Description	Amount
37423	07/28/2011	New business	Policy #327-011-500 07/28/2011-07/28/2012 LIBERTY BOND SERVICES Performance Bond - State of New Jersey Department of Transportation - FHWA Long-Life Pavement Markings Contract - South, 2011- Bond Amount \$4,845,845.01  <i>10/11/11                      Paid in full                      check # 31026                      Thank you!                      Jesse Brumwell</i>	27,549.00
<b>Insurance Office of America, Inc.</b> IOA Northeast 1451 Route 34, Suite 101 Farmingdale, NJ 07727				<b>Total</b> 27,549.00

Thank you

<b>IOA Northeast</b> 732.751.2900	<b>Date</b>
	07/28/2011