

Surety Bonds - Contract Status Reports

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Summary

Architects submitting Contract Status Reports to bonding companies should use only forms that include the disclaimer clause approved by both Ontario Association of Architects (OAA) and Surety Association of Canada (SAC).

Background

- surety bond: a promise or guarantee by surety (bonding company) to pay obligee (owner) up to amount of bond if default by principal (contractor)
- bonding companies are interested in performance of contractors they bond
- architects performing project general review are often best qualified to advise bonding companies re on-going project status
- bonding companies may request architects to regularly submit contract status reports on bonding company's 'standard' form
- architects are under no legal requirement to submit such a report unless they have been specifically contracted to do so
- OAA arranged with SAC for a contract status report form containing a clause protecting the architect to avoid undue exposure to liability.

Suggested Procedure

If you wish to provide this service, include it in your contract with your client and ensure you are adequately compensated.

If a bonding company requests that you submit a contract status report and you have agreed to provide this service:

- provide all contract status reports to the bonding company on the form developed by OAA and SAC
- see sample form: Contract Status Report
- check the form each time; bonding companies may re-design the form deleting this important clause

References

CCDC 22 – 2002 A Guide to Construction Surety Bonds

Documents

Contract Status Report (pdf)

Contract Status Report (word)

The OAA does not provide legal, insurance or accounting advice. Readers are advised to consult their own legal, accounting or insurance representatives to obtain suitable professional advice in those regards.
