

February 15, 2022

DEAR RIGHT-OF-WAY BUILDING MOVER CONTRACTOR,

Construction season is in full gear! City ordinances require that anyone performing work in a City right-of-way to obtain permits from Public Works Engineering. As a reminder of the insurance and bond requirements for **Right-of-Way Building Moving Permits for 2019**, the City has included a checklist for you to complete prior to sending in to issue of your right-of-way permits.

- Check the Expiration Date of your Liability Insurance.** You will need to file with the City a current Certificate of Insurance for commercial general liability insurance, automobile liability insurance and worker's compensation insurance. The limits required for each type of insurance is the same as last year.
 - Worker's Compensation Exemption.** If you are a sole proprietor and are the only employee, you may claim an exemption from worker's compensation insurance coverage. Please provide an original, signed and dated statement to the City stating your company is not an employer.
- Start Early Obtaining your Surety Bond.** The City has new bond requirements which will necessitate a new bond to be issued with the updated language. Please take a copy of this letter to the bond company or your agent when you purchase the new bond. If they have any questions, they may contact the Public Works Legal Advisor at (605) 367-8600.
- Have Original Bond Notarized.** Please date and sign the original bond in front of a notary prior to submitting it to the City. The date of the two signatures must be the same. It is not legal to sign a document and have it notarized later. The notary must witness the execution of the document.
- Consistent use of the Company Name.** On all forms, bonds, and insurance documents, please use the same company name. Examples:
 - If an individual or sole proprietorship – *John Doe*
 - If a partnership registered with the Secretary of State - *Doe Partners, LLP*
 - If a corporation registered with the Secretary of State - *Doe Construction, Inc. or Doe Construction, LLC*
 - If a company not registered with the Secretary of State - *John Doe d/b/a Doe Company*
- Reminder:** State law requires partnerships and sole proprietorships that use fictitious names to register their businesses with the county Register of Deeds Office and foreign businesses, limited partnerships, limited liability companies and corporations must register with the South Dakota Secretary of State's Office.
- Questions?** If in doubt about the type of bond(s) required, please see the back of this letter for further explanation.

Sincerely,



Kurt Peppel, PE
City Engineering/City Center
231 North Dakota Avenue
605-367-8600

City of Sioux Falls Right-of-Way Bonds

1. Contractor's Bond for Work Performed in Right-of-Ways

Annual contractor's bond for grading, paving, curb cuts, installing barricades, storing construction materials, installing sidewalks, and installing/repairing sewer, water, telephone, electric, or gas lines. The bond **MUST** state:

Under Sioux Falls City Ordinance §96.030: if the Principal shall faithfully perform the contract(s) in City's right-of-ways, pay all permit and other associated City fees, promptly pay all persons supplying the contractor with labor or material in the prosecution of the work provided for under the permit, and replace any defective work within a period of three (3) years from the time of completion of the project which in the opinion of the City was not installed in accordance with the required specifications.

2. Contractor's Bond for Building Moving of Structures

Annual contractor's bond for moving structures such as homes or garages. The bond **MUST** state:

As a condition of security the necessary permits in order to perform the work under such contracts, the Principal is required to file this bond pursuant to Section 150.061, subsection 1401.3 through 1401.20, of the Revised Code or Ordinances of the City of Sioux Falls, South Dakota.

If the Principal shall indemnify and hold harmless the City against any and all liability for damages, costs, or expenses arising out of any negligence on his part or on the part of his servants or employees in connection with the moving of any building or the use of any public street or ground for that purpose, then this obligation shall be void; otherwise to remain in full force and effect.

The principal shall comply with all City requirements to the satisfaction of the City Engineering Department for moving such buildings, and these requirements shall also encompass repairs due to any damage to any sidewalk, crosswalk, hydrant, street, alley or other property done or cause by himself, his servants, or employees in connection with moving any building, and payment for any such buildings or the use of any public street or group for such purpose.

3. Sump Pump Installer Work on Private or Public Property

Annual bond for sump pump installation. This bond can be a separate bond or a rider to the bond described above. The bond or rider **MUST** specifically state:

If the Principal shall faithfully perform the contract(s) for sump pump work, pay all permit and other associated City fees, promptly pay all persons supplying the contractor with labor or material in the prosecution of the work provided for under the permit, and replace any defective work within a period of three years from the time of completion of the project which in the opinion of the City was not installed in accordance with the required specifications.

4. Project Specific Bond for Facilities/Utilities Work in Right-of-Ways

This bond applies to those that maintain facilities in the right-of-ways like utilities repair crews, sign companies and the like. A bond is necessary for installation and repair or removal of poles, signs, and facilities, other than landscaping, in right-of-ways as well as excavation in right-of-ways. The bond **MUST** state:

Under City Ordinance §96.241: if the Principal shall: (i) faithfully perform the work under the permit and in all things comply with the ordinances, rules and regulations of the City of Sioux Falls, and any amendments thereto, including the restoration of the right-of-way to its condition prior to commencement of work under the permit; (ii) indemnify the City against any expenditure, damage or loss occasioned by the Principal's violation of the Code or failure to comply with all rules, regulations, orders, permits and other directives of the City issued pursuant to the Code; (iii) pay all compensation due to the City, including permit fees; (iv)

pay the premiums for the required liability insurance policies; (v) reimburse the City of any amounts for which the Principal is liable that are not paid by its insurance; and (vi) pay any other amounts which may become due to the City pursuant to law.

It is hereby understood and agreed that this bond may not be canceled or nonrenewed by the Surety, nor shall the intention to cancel or nonrenew be stated by the Surety until thirty (30) days after completion of construction of the facilities and, notwithstanding the foregoing, shall in no case be canceled or nonrenewed by the Surety.