

Ordinance 03-06

An ordinance amending 7 MLBSA § 17 of the Procurement Statute to more specifically outline the guidelines for bonding requirements of construction projects.

The District III Representative introduced this bill on 11th day of October, 2005.

Preamble

It is enacted by the Band Assembly of the Non-Removable Mille Lacs Band of Ojibwe, for the purpose of amending Title 7, section 17 of the Mille Lacs Band Statutes Annotated, in order to promote compliance with bonding while removing obstacles to the Band member contractor's ability to maintain business relations with Community Development.

Section 1. Purposes and Findings:

1. This Ordinance repeals and replaces in its entirety 7 MLBSA § 17 (Bonding) to more specifically outline the guidelines for bonding requirements of construction projects.
2. The Band Assembly acknowledges that the existing Bonding requirements are too general in nature and therefore an amendment is needed.
3. Section 17 of the Procurement Statute is hereby amended as follows:

§ 17. Bonding.

- a. In construction contracts that are federally funded or deemed commercial, bonding is required. These types of contracts shall demand a performance bond of not less than twenty percent (20%) of the total contract price, but not to exceed \$500,000.00. A performance bond requirement is to ensure that, if a contractor defaults, the Band may request that the surety pay the expenses incurred to complete the construction contract.
- b. In addition, all construction contracts identified as federally funded or commercial, shall be covered by a payment bond equal to one payment installment to cover subcontractors/ suppliers as determined by the Contracting Officer or his agents. The payment bond must contain language stating that if the contractor fails to make a payment to its subcontractors/suppliers, the surety will make the necessary payment.
- c. For all Band funded residential construction projects, a performance bond is required for contracts in excess of

\$50,000.00. The performance bond shall be at a minimum twenty (20%) percent of the contract price, but not in excess of \$500,000.00.

4. Sovereign Immunity

Nothing contained in this Ordinance shall be construed as a waiver of sovereign immunity of the Mille Lacs Band of Ojibwe.

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Introduced to the Band Assembly on this
the 11th day of October in the year two thousand
and five.

Passed by the Band Assembly on this
the 11th day of October in the year two thousand
and five.



Herb Weyaus, Speaker of the Assembly

APPROVED

Date: October 14, 2005



Melanie Benjamin, Chief Executive

OFFICIAL SEAL OF THE BAND