All Bonds Are Not Alike

Construction Executive

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Contractors working on public works projects are no doubt familiar with performance and payment bonds. By the performance bond, the surety promises to the government owner, as "obligee," that if the contractor, as "principal," defaults in its performance, the surety will either make good on the contractor's default or pay the resulting damages. By the payment bond, the surety promises that if the contractor fails to pay subcontractors and suppliers in a covered tier, the surety will make payment on the contractor's behalf.

The author, Vernon Howerton, helps businesses avoid and resolve commercial disputes through negotiation, alternative dispute resolution and litigation, with an emphasis on construction and government contract law. For over fifteen years, Vernon has represented construction owners, contractors, subcontractors and suppliers in claims and dispute avoidance, resolution and litigation arising from public and private heavy civil, industrial, telecom, and commercial project contracts, including claims related to changed work, extra work, differing site conditions, defective specifications, suspensions, delays and construction defects. Vernon has also presented or defended various bid protests related to federal, state and local government contracts and defends OSHA citations for workplace safety violations.