



## **New requirements for Department of Transportation insurance and permit bonds**

January 12, 2015 - Design / Build

In November 2014, the Department of Transportation (DOT) made language amendments to permit bonds which can be found in the New York City Highway Rules. These rules, which comprise Chapter 2 of Title 34 of the Rules of the City of New York, encompass numerous permits including street construction and schedules of fees. As of January 1st, 2015, the Central Permit Office will only accept bonds with the new language incorporated for submission. All active permittees with bonds on file are required to resubmit with the new language and may incur fines or be placed on hold for any new permits if there is a failure to do so. While this article will highlight a few of the changes that have been made, it is encouraged that all who are interested in obtaining DOT permit bonds visit the website to view the amended template in its entirety.

Language has been amended in numerous locations throughout the course of the new template. Three key areas of change include a surety's responsibility in the event a principal fails to fully perform and complete permitted work (which also encompasses repairs and maintenance), a surety's responsibility in the event a principal fails to pay fines, fees or penalties in a timely manner, and the maintenance of city property within the permitted location. While major items such as having twenty five business days to complete Permitted work after written notice from the city and the dollar amount of fines remain the same, several minor language changes can be found throughout the six page document. Language has been added to the DOT bond template that further elaborates on the surety's responsibilities. The surety agrees to conditions which include paying the city for any work it must complete due to a principal's negligence and fully completing the work under the permit itself stating that "a failure to comply with and conform to the conditions of all permits, including all laws, rules and regulations concerning the permitted work" will leave the surety subject to fines, fees or penalties. Another slight wording tweak broadens the categorization of items such as city monuments, signs, meters, utility poles, and street lights as "collectively, city property." As mentioned above, the surety's responsibility in the event a principal fails to fully perform and complete permitted work has also changed. This section has actually been trimmed down but maintains the same idea that any challenge made by the Surety in regards to the principal shall not provide the groundwork for lack of performance of any obligation that is outlined in the bond template.

As previously mentioned, the central office will only accept a permit if the new bond language is incorporated. While many of the changes to the bond language may seem minor, they are nevertheless important and must be considered when applying, or reapplying, for any permit bond. It is encouraged that all who are seeking permits review the new template. Most importantly, even if an active permit is not set to expire, it is imperative that they still be resubmitted with the new language adopted. The deadline for submission for new permits is February 27th and the NYC DOT

will begin to deny non-compliant permittees from applying for any new permits on March 1st. As a reminder from the DOT, all new bonds must be mailed or hand delivered to the NYC DOT Central Permit Office located at 55 Walter St.

Jay Brancato is an assistant client services manager at Total Safety Consulting, LLC, Bayonne, N.J.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540