Activity 40: Administering Securities

1. Obtain required bonds before the contractor is given a notice to proceed with the contract work.

2. Obtain additional security when necessary to protect the Government and persons supplying labor or materials under contracts.

3. Notify the principal and surety of any substitution of surety bonds.

4. Obtain consent from the surety for contract modifications (when required).

5. Furnish information to interested parties.

6. Arrange for payment to be made to the contractor in care of the surety (when requested by the surety and the contractor and any assignees agree).

7. Accept a surety-takeover agreement when it is in the Government's best interest.

8. Obtain funds from the surety to cover the defaulting contractor's and the surety's liability to the Government.