

By Mr. Melia of Boston, petition of John F. Melia and another relative to increasing the scope of payment bonds contained in certain public contracts. State Administration.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy-Seven.

AN ACT INCREASING THE SCOPE OF PAYMENT BONDS GIVEN IN CERTAIN PUBLIC CONSTRUCTION CONTRACTS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Section 29 of chapter 149 of the General Laws is hereby
2 amended by striking out the first paragraph, as most recently
3 amended by section 4 of chapter 609 of the acts of 1964, and
4 inserting in place thereof the following paragraph:—
5 Officers or agents contracting in behalf of the commonwealth
6 or in behalf of any county, city, town, district or other political
7 subdivision of the commonwealth or other public instrumentality
8 for the construction, reconstruction, alteration, remodeling,
9 repair or demolition of public buildings or other public works
10 when the amount of the contract in the case of the commonwealth
11 is more than five thousand dollars, and in any other case is more
12 than two thousand dollars, shall obtain security by bond in an
13 amount not less than one half of the total contract price, for
14 payment by the contractor and subcontractors for labor
15 performed or furnished, for double compensation in cases of
16 negligence in industrial accidents, and materials used or
17 employed therein, including payment of any sums due mechanics
18 and apprentices, teamsters, chauffeurs, or laborers, for wages,
19 pension plans, vacation plans, annuity plans, or other benefit
20 plans, as established by the commissioner of said public works;
21 including lumber so employed which is not incorporated therein

22 and is not wholly or necessarily consumed or made so worthless
23 as to lose its identity, but only to the extent of its purchase price
24 less its fair salvage value, and including also any material
25 specially fabricated at the order of the contractor or subcontrac-
26 tor for use as a component part of said public building or other
27 public work so as to be unsuitable for use elsewhere, even though
28 such material has not been delivered and incorporated into the
29 public building or public work, but only to the extent of its
30 purchase price less its fair salvage value and only to the extent
31 that such specially fabricated material is in conformity with the
32 contract, plans and specifications or any changes therein duly
33 made; for payment of transportation charges for materials used
34 or employed therein which are consigned to the contractor or to a
35 subcontractor who has a direct contractual relationship with the
36 contractor; for payment by such contractor and subcontractors of
37 any sums due for the rental or hire of vehicles, steam shovels,
38 rollers propelled by steam or other power, concrete mixers, tools
39 and other appliances and equipment employed in such construc-
40 tion, reconstruction, alteration, remodeling, repair or demolition;
41 for payment of transportation charges directly related to such
42 rental or hire; and for payment by such contractor and
43 subcontractors of any sums due trustees or other persons
44 authorized to collect such payments from the contractor or
45 subcontractors, based upon the labor performed or furnished as
46 aforesaid, for health and welfare plans, supplementary unemploy-
47 ment benefit plans and other fringe benefits which are payable in
48 cash and provided for in collective bargaining agreements
49 between organized labor and the contractor or subcontractors;
50 provided, that any such trustees or other persons authorized to
51 collect such payments for health and welfare plans, supplemen-
52 tary unemployment benefit plans and other fringe benefits shall,
53 subject to the following provisions, be entitled to the benefit of
54 the security only in an amount based upon labor performed or
55 furnished as aforesaid for a maximum of one hundred and twenty
56 consecutive calendar days.