

ENGINEERING & CONSTRUCTION RISK INSTITUTE

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Purpose: The purpose of this document is to list the methods of securitization of a project along with a recommended management approach associated with the bonding requirements of a typical E&C contract.

Introduction: It is important that the E&C company management, business development personnel, proposal and project leadership are familiar with bonding, security terminology and practice. The securitization major categories addressed are:

- Security vs. Parent Company Bond
- Performance Bonds
- Advance Payment Bonds
- Retention Bonds
- Subcontractor Bonds
- Parent Company Guarantees

Application: Issues addressed include default versus on demand, financial limits, expiry, assignment, joint ventures, law and jurisdiction, and duplication.

ECRI Description file – The complete version if this document is located in the Sponsors Resources area of this website and requires a Sponsors Login to access.

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