

MAINTENANCE GUARANTEE REQUIREMENTS

The Department of Engineering is required by the City of Carmel Subdivision Control Ordinance to obtain Performance Guarantees and Maintenance Guarantees as required for new residential/subdivision or commercial developments within their jurisdiction, said jurisdiction being within the corporate limits of the City of Carmel. Maintenance Guarantees are required after release of Performance Guarantees by the City of Carmel Board of Public Works and Safety. The Department cannot accept Maintenance Guarantees until the Board has officially released the Performance Guarantee. All improvements require the posting of Maintenance Guarantees, unless the Board has waived the requirement, based on the following criteria:

1. Maintenance Guarantees may be Maintenance Bonds, Irrevocable Letters of Credit or Cashier's Checks/Official Checks. Personal or Company Checks are not acceptable as Maintenance Guarantees.
 - a. Maintenance Bonds and Letters of Credit should list the City of Carmel as Obligee. By Ordinance, Maintenance Guarantees **must include** the Developer/Owner as either sole Principal or Co-Principal with the contractor.
 - b. Cashier's Checks/Official Checks posted as Maintenance Guarantees must be in the Developers/Owner's name alone. Checks posted as Maintenance Guarantees should be made payable to **"The City of Carmel or (not and) the Developer (Developer's Name)"** to facilitate the return of the check to the bank after the 3-year maintenance requirement has been satisfied and the Guarantee has been released. The check is not cashed when submitted to the Department of Engineering. It is maintained in the Department of Engineering until released and returned to the Principal.
 - c. Irrevocable Letters of Credit shall have an expiration date no earlier than the expiration date of the 3-year maintenance requirement.
2. Maintenance Guarantee amounts are established as follows:
 - a. Streets and Curb & Gutters-15% of the Performance Guarantee amount.
 - b. All Other Improvements-10% of the Performance Guarantee amount. If the percentage calculation results in an amount less than \$100.00, a Maintenance Guarantee in the minimum amount of \$100.00 will be required.
3. Maintenance Guarantees run for a period of 3-years from the date of release of the Performance Guarantee by the City of Carmel Board of Public Works and Safety. The starting date of the 3-year maintenance requirement is the date of release of the Performance Guarantee.