

## 28.104 Annual performance bonds.

(a) Annual performance *bonds* only apply to nonconstruction contracts. They *shall* provide a gross *penal sum* applicable to the total amount of all covered contracts.

(b) When the *penal sums* obligated by contracts are approximately equal to or exceed the *penal sum* of the annual performance *bond*, an additional *bond* will be required to cover additional contracts.

**Parent topic:** [Subpart 28.1 - Bonds and Other Financial Protections](#)