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## **528.103-2 Performance bonds.**

(a) The contracting officer shall not require performance bonds for building service contracts unless a written determination is made explaining why the bond is essential to protect the Government's interest and justifying the additional cost of the bonding requirement.

(b) The contracting officer may require a performance bond for building service contracts over \$150,000 awarded under Section 8(a) of the Small Business Act as amended ([15 U.S.C. 637\(a\)](#)) if it is determined under [528.103-2\(a\)](#) that a performance bond is essential to protect the Government's interest.

(c) The contracting officer shall not require a performance bond for building service contracts awarded to AbilityOne nonprofit agencies (41 U.S.C. chapter 85).

(d) Consider the circumstances and determine the penal amount of the performance bond on a case-by-case basis.

**Parent topic:** [528.103 Performance and payment bonds for other than construction contracts.](#)