

## Simple Steps to Road Bonding

(Use this guide as a checklist to go through the road bonding process)



### 1. Before the hauler arrives:

- Engineering study
- Ordinance
- Signs posted

### 2. When a request from a hauler is received.

- Arrange a preliminary inspection.
  - ✓ Participate with the hauler.
  - ✓ Video and/or pictures that point out deficiencies.
  - ✓ List deficiencies in detail (measurements etc.).
  - ✓ Have the hauler sign it.
  - ✓ Bill the hauler according to the rates in Publication 221.
- Determine who will do the excess maintenance (i.e. take care of the damage as it occurs).
  - ✓ **Municipality:** The municipality will perform all work related to hauling damage and invoice the hauler to pay for the work.
  - ✓ **Hauler:** The hauler will perform the excess maintenance on the road while the hauling is taking place. The municipality will monitor the work and when it reaches approximately 75% of the bond stop the hauling until the road is fixed.
    - Keeping track of the damage is critical to ensure costs do not exceed 75% of the bond amount. Upon reaching 75% the hauler must put repair the highway or stop hauling until the highway is repaired.
- Determine the type of permit
  - ✓ Type 1: The permit is carried in the hauling vehicle.
  - ✓ Type 2: The permit is good for multiple vehicles and kept at the scale house or haulers office.
  - ✓ Type 3: Issued for a limited number of moves and damage to the road is expected to be minimal. Must be carried in the vehicle.
- Calculate the bond amount.
  - ✓ \$6,000.00 per mile for dirt roads.
  - ✓ \$12,500 per mile for paved roads.
  - ✓ \$50,000.00 per mile for any road that the municipality will allow to be degraded below it's original condition until hauling is completed.
  - ✓ \$10,000.00 for the entire municipality. This is only for the type 3 permit and only for a limited number of moves.
- Contact the hauler and have them secure the bond.

- Issue a permit(s) and give it to the hauler
  - ✓ Complete an Excess Maintenance Agreement filling in the blanks according to the above information and with the haulers and municipalities information.
  - ✓ Include any extra items of work, conditions, pre-hauling work to be completed, etc. as an attachment to the Excess Maintenance Agreement.
  - ✓ Have the hauler sign the form where indicated and have them provide the bond itself. This can be an insurance bond or the other forms of cash bonds available.
  - ✓ Once all signed documents are in hand from the hauler the municipality can sign the agreement and provide copies to the hauler.
  - ✓ At this point hauling may begin.
- Remember you can charge for the inspection and permit according to the rates in Publication 221.
- Multiple permittees
  - ✓ The permittees should first try to work out, between themselves, an agreement as to which party is responsible for what percentage of the bond and future repairs.
  - ✓ If they can not agree the township or borough will determine the split. This can be by loads, trips or some other reasonably fair method.
  - ✓ Be sure to make the haulers responsible for tracking and agreeing to this information, don't become the referee for the situation.

### **3. After the hauling begins**

- A municipal representative must monitor the condition of the road.
- Inspect the road regularly and with the hauler if possible during hauling.
- If damage is occurring advise the hauler and do repairs according to the excess maintenance agreement in the permit (either the municipality or the hauler). Either complete the repairs or have the hauler complete the repairs.
- Monitor the bond amount.
- If the amount is up to 75% of the bond stop the hauler and either have the hauler repair the road then continue hauling or the municipality can repair the road.
- If the municipality repairs the road the hauler can pay the bill then hauling can continue. If the bill is not paid then the municipality can arrange to secure the bond money to pay the bill.

### **4. After the hauling is completed**

- Inspect the road with the hauler
- Agree on the repairs to be done to the roadway.
- Inspect the repairs as they are completed.
- Release the bond after the repairs are satisfactorily completed.

## 5. Notes

- Remember the bond amounts are not to repair the entire road. They are a security to ensure the road continues to be maintained.
- Do not let damage occur beyond the 75% at any time.
- Monitor the road regularly; this is your only way to know what is happening.
- You are in charge!

## 6. Common Questions

- Two (or more) haulers want to use our road; how do we figure how much damage each one has done?
  - ✓ The percentage allocated to each hauler should be worked out prior to hauling. It can be based on loads, tons, or some other agreed upon method. The important thing is to make the haulers agree to the method and have them track the usage. Don't become the "baby sitter of loads" for the hauler.
- The hauler still owes us money from a previous bond; do we have to let them bond another road?
  - ✓ No, until the hauler settles the previous debt you do not have to issue another bond.
- Are required to follow the posting and bonding procedure?
  - ✓ Yes, Act 33 of 2001 created penalties for municipalities that do not follow the posting and bonding procedures. Municipalities may be liable for hearing costs as well as the cost of repairing the road.
- Who enforces the bond?
  - ✓ Initially the municipality monitors and enforces the hauling. If illegal hauling is suspected the local police force or the State Police enforces it if local police do not exist.
- Can we require a cash or cash type of bond?
  - ✓ No, the permittee has the option as to what type of bond is provided.
- What is considered "local traffic"?
  - ✓ Local traffic is an emergency vehicle, school bus, government agencies and utilities or their contractors, and local deliveries.
- Do we have to let someone haul on the road?
  - ✓ Yes, you can suggest and alternate route but ultimately you cannot deny access if the hauler follows the proper procedures. The hauler should use the shortest distance if possible.
- The amount provided for bonds is not nearly enough to fix a road.
  - ✓ Correct; the bond amount is only to ensure the road is maintained by the hauler. You should never let damages occur to beyond 75% of the bond amount.
  - ✓