

POLICY

BOARD OF EDUCATION OF MONTGOMERY COUNTY

Related Entries:

Responsible Office: Chief Operating Officer

Reduction of Funds Retained Pending Completion of a Contract

A. PURPOSE

To set forth policy guidelines for reduction of funds retained pending completion of a contract on capital construction projects

B. ISSUE

State law defines certain circumstances which necessitate the reduction of retainage on capital construction projects.

C. POSITION

1. The retainage on capital projects may be reduced from 10 percent to five percent when:
 - a) MCPS construction staff reports to the Board of Education that the project is, at a minimum, 50 percent complete and is scheduled to be finished within the contract completion date.
 - b) The project architect recommends in favor of the contractor's request for reduction of retainage
 - c) The reduction is approved by the contractor's surety agent
2. The remaining five percent retention will be held until the project is fully completed and only released when the architect certifies that all of the contract requirements have been fulfilled and the Maryland State Comptroller verifies that there are no outstanding taxes or other state mandated fees due by the contractor.

C. REVIEW AND REPORTING

This policy will be reviewed in accordance with the Board of Education policy review process.

Policy History: Adopted by Resolution No. 607-89, October 10, 1989; amended by Resolution No. 133-04, February 23, 2004.