

## Release of Retainage

August 19, 2015

# Rules of Retainage



- Required by the Tollway's Trust Indenture and specifications
- Retainage requirements
  - Ten percent of each payment amount retained until project is 50 percent complete
  - Upon completion of 50 percent of the work, retainage can be reduced with the Chief Engineer's approval
  - Partial release of retainage less than 5 percent requires Board approval
  - Final release of retainage requires Board approval
- Detailed review process prior to Board approval
- Ensures contract compliance and completion by the contractor
- Diversity goals must be addressed prior to final payment
- Evaluating modifications to expedite the process





### Contract award for \$10 million

## Award

- 10 percent of each payment is retained until the work is 50 percent complete
- At 50 percent complete (\$5 million), \$500,000 has been retained

#### 50%

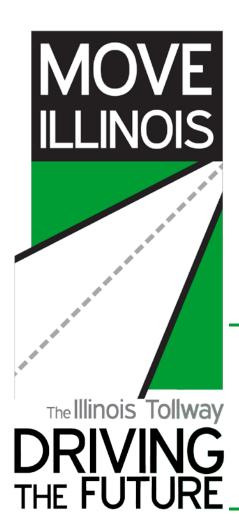
- Once 50 percent complete, contractor may request no additional retainage be withheld on subsequent payments
- Chief Engineer approval is required

#### Partial

- Towards the end of the contract, \$100,000 of work remains
- Contractor may request partial release withheld; minimum retainage of \$100,000 x 2 = \$200,000
- Board approval required to release \$300,000 of retainage

#### Final

- All work is completed, reviewed and deemed acceptable
- Board approval required to release \$200,000 remaining retainage



### **THANK YOU**