Department of Public Works

**Engineering Division**

Robert F. Phillips, P.E., City Engineer

|  |
| --- |
| **Deputy City Engineer**  Gregory T. Fries, P.E.  **Deputy Division Manager**  Kathleen M. Cryan  **Principal Architect 2** Bryan Cooper, AIA  **Principal Engineer 2**  John S. Fahrney, P.E.  Christopher J. Petykowski, P.E.  Janet Schmidt, P.E.  **Principal Engineer 1**  Christina M. Bachmann, P.E.  Mark D. Moder, P.E.  James M. Wolfe, P.E.  **Financial Manager**  Steven B. Danner-Rivers |

City-County Building, Room 115

210 Martin Luther King, Jr. Boulevard

Madison, Wisconsin 53703

Phone: (608) 266-4751

Fax: (608) 264-9275

[engineering@cityofmadison.com](mailto:engineering@cityofmadison.com)

[www.cityofmadison.com/engineering](http://www.cityofmadison.com/engineering)

**2/9/2022**

**EN – ADMINISTRATIVE PROCEDURE MEMORANDUM NO. X-XX**

**SUBJECT: PUBLIC WORKS FACILITIES RETAINAGE RELEASE POLICY**

**BACKGROUND:**

The purpose of this internal policy is to set a method for partial release of retainage for Public Works Facilities contracts valued over $4,000,000.

**POLICY:**

1. Three (3) months post occupancy, the City will reduce construction retainage from 2.5% to 1%, plus the value of the construction scope of work remaining to complete. In no case will the construction retainage be reduced to less than $100,000, plus the value of the scope of work remaining to complete.
2. Six (6) months post occupancy, City will reduce the retainage from 1% to 0.5%, plus the value of the construction scope of work remaining to complete. In no case will the construction retainage be reduced to less than $100,000, plus the value of the scope of work remaining to complete.
3. After all outstanding construction scope work is complete, submit the substantial completion letter to the Contractor and pay the remaining outstanding scope of completed work.
4. Final letter to Contractor is City Engineering acceptance to release the final 0.5% of retainage. Prior to final release of retainage the following two activities must be completed.
   1. DCR to review and approve all contract required submissions, including final subcontractor List.
   2. Contractor agrees to final payment by signing and returning final pay app.

**GENERAL NOTES:**

Release of retainage and final payments are subject to proper contract performance by the Contractor. If a Contractor is completely finished with all scopes of work at any time before the substantial completion letter, the City could expedite any outstanding retainage payments.  If a Contractor is not performing per the contract, the City has the option to hold all retainage, plus the value of the scope of work remaining to complete, until such time the Contractor shows improvement.