

OWDA RETAINAGE PROCEDURES

EXPLANATION:

Labor Amount:

Ohio law requires that a minimum of 8% of a contract labor amount be retained for public improvement projects in non-home rule communities until the project is completed. Retainage is the amount of money set aside for the purpose of protecting the community receiving the goods or services. Retainage helps ensure the proper completion of a project when held until the project is 90-100% finished.

Stored Materials:

Retainage of a minimum of 8% will be withheld on all stored materials. It will be released through the normal channels as the material is incorporated into the job.

PROCESS for release of Labor Retainage:

Where OWDA pays the Contractor directly:

TIMING:

Project is 90-100% complete:

Use the Estimate form.

Project is 50-89% complete:

Use the Application for Release of Retainer Funds (copy following). Indicate whether the funds should be released to the LGA to put into escrow until project completion, or released directly to the contractor. Retainage can be released to the LGA when the contract is 50% plus \$1.00 done.

Where OWDA pays the LGA which in turn pays the Contractor:

TIMING:

Project is 90-100% complete:

Use the Pay Request form.

Project is 50-89% complete:

Make a normal Pay Request for the amount of the Retainer. If the Estimate form is used, the Retainage line now will show zero. The LGA may choose to escrow the Retainer until the project is complete, or to pay it to the contractor any time after 50% of the work is completed.

No Retainer Held:

By an LGA written request, OWDA will NOT hold any Retainer. In this case, the Retainage will be entirely the responsibility of the LGA.

For questions please contact Ken J. Heigel, P.E., OWDA Chief Engineer, phone 614.466.0257 or e-mail kheigel@owda.org.

State of Ohio
OHIO WATER DEVELOPMENT AUTHORITY

APPLICATION FOR RELEASE OF RETAINER FUNDS

TO: Ken J. Heigel, P.E.
Ohio Water Development Authority
480 South High Street
Columbus, OH 43215-5603

PROJECT:

CONTRACT:

CONTRACTOR:

The above referenced contract is *50 percent* complete as evidenced by payments in the amount of at least *50 percent* of the contract to the above named contractor. The undersigned **Local Government Agency** (LGA), therefore, requests that the Ohio Water Development Authority release retainage due in the amount of \$_____ to the LGA for deposit in the escrow account required by Section 153.63 ORC.

The undersigned LGA agrees that this action releases OWDA from any further responsibility regarding the release of this retainer to the above named contractor, except that of accounting for the principle balance (not interest accrued on the retainage) remaining unpaid to the contractor as shown on the Contractor's Estimate form.

LGA
Name: _____

By: _____
Signature *Title*

Date: _____