

Prompt Payment/Return of Retainage

The Code of Federal Regulations requires that Contractors pay subcontractors, suppliers, and vendors promptly for work performed or materials provided, and release retainage promptly after the subcontractor, supplier, or vendor completes the work or provides materials certifications. The Department has established that, when criteria for payments are met, 15 calendar days is a reasonable time to make payment or release retainage, and requires that payment be made within that time. The 15 calendar day period for subcontracted work or materials and services provided will commence on the date the Contractor receives payment from the Department for the work. If the Contractor holds retainage for subcontracted work or materials/services provided, the 15 calendar day period shall commence on the date that the Resident Engineer determines that the subcontracted unit or portion of the Contract has been completed in accordance with Subsection 105.17, "Project Completion and Acceptance," or the project is deemed complete by the Department.