

2011 -- H 5191

LC00557

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

A N A C T

RELATING TO PUBLIC PROPERTY AND WORKS -- CONTRACTORS' BONDS

Introduced By: Representatives Costa, Newberry, McLaughlin, and Gordon

Date Introduced: January 27, 2011

Referred To: House Municipal Government

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 37-12-10 of the General Laws in Chapter 37-12 entitled
2 "Contractors' Bonds" is hereby amended to read as follows:

3 **37-12-10. Retainers relating to contracts for public works, sewer, or water main**
4 **construction.** -- (a) Upon substantial completion of the work required by a contract aggregating
5 in amount less than five hundred thousand dollars (\$500,000) with any municipality, or any
6 agency or political subdivision thereof, for the construction, reconstruction, alteration,
7 remodeling, repair, or improvement of sewers and water mains, or any public works project
8 defined in section 37-13-1, the awarding authority may deduct from its payment a retention to
9 secure satisfactory performance of the contractual work not exceeding five percent (5%) of the
10 contract price unless otherwise agreed to by the parties. Upon substantial completion of the work
11 required by a contract aggregating in an amount of five hundred thousand dollars (\$500,000) or
12 greater with any municipality, or any agency or political subdivision thereof, for the construction,
13 reconstruction, alteration, remodeling, repair, or improvement of sewers and water mains, or any
14 public works project defined in section 37-13-1, the awarding authority may deduct from its
15 payment a retention to secure satisfactory performance of the contractual work not exceeding five
16 percent (5%) of the contract price. In the case of periodic payments with respect to contracts less
17 than the aggregate amount of five hundred thousand dollars (\$500,000), the awarding authority
18 may deduct from its payment a retention to secure satisfactory performance of the contractual
19 work not exceeding five percent (5%) of the approved amount of any periodic payment unless

1 otherwise agreed to by the parties. In the case of periodic payments with respect to contracts in
2 the aggregate amount of five hundred thousand dollars (\$500,000) or greater, the awarding
3 authority may deduct from its payment a retention to secure satisfactory performance of the
4 contractual work not exceeding five percent (5%) of the approved amount of any periodic
5 payment.

6 (b) The retainage shall be paid to any contractor or subcontractor within ninety (90) days
7 of the date the work is accepted by the awarding authority unless a dispute exists with respect to
8 the work. If payment is not made within ninety (90) days for any reason other than a dispute,
9 which, if resolved and it is not the fault of the contractor, interest shall be assessed at the rate of
10 ten percent (10%) per annum on all money which is to be paid to the contractor or subcontractor.

11 (c) The retainage shall be paid to any contractor or subcontractor within ninety (90) days
12 of the date his or her work is completed and accepted by the awarding authority. If payment is not
13 made, interest shall be assessed at the rate of ten percent (10%) per annum.

14 ~~(d) There shall also be deducted and retained from the contract price an additional sum~~
15 ~~sufficient to pay the estimated cost of municipal police traffic control on any public works~~
16 ~~project. Municipalities shall directly pay the officers working traffic details and shall bill and be~~
17 ~~reimbursed by the withholding authority for which the contract is being performed every thirty~~
18 ~~(30) days until the project is complete.~~

19 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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1 This act would relieve municipalities from the requirement of deducting from
2 construction contracts an additional sum to pay the costs of municipal police traffic control on
3 public works project.

4 This act would take effect upon passage.

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