

**Item I.6 – Discussion and Possible
Action Regarding Article XIX,
Section 19.7, Contracts, Progress
Payments on Retention Percentage**

**Charter Review Advisory
Committee**

July 20, 2022

Article XIX. General Provisions

Sec. 19.7. Contracts, progress payments.

All contracts entered into by or on behalf of the City of Redondo Beach may provide for percentage payments at various stages of the work contracted for provided, however, that **at least ten (10) per cent** of the total sums payable by the City of Redondo Beach under any contract shall be withheld until the work is approved by the department head and accepted by the City Council. The City Council shall not accept complete performance under any contract until satisfactory evidence is furnished that all labor and material liens have been completely satisfied by the contractor.

Recommended Option:

- **Remove reference to “All contracts” and replace with “Contracts for public works projects, excluding maintenance and repair,...”**
- **Add the word “progress” to payments and add “in proportion to the work then” provided.**
- **Revise language to tie retention percentage to CA Public Contract Code or set by ordinance by the City Council**
- **Remove reference to “department head” and replace with “Public Works Director or City Engineer”**
- **Revise two references to “City Council” to “City”**

Recommended Language:

Sec. 19.7. Contracts, progress payments.

All **public works** contracts, **except maintenance and repair**, entered into by or on behalf of the City of Redondo Beach may provide for percentage **or progress** payments at various stages of the work contracted for **in proportion to the work then** provided, however, **a percentage** of the total sums payable by the City of Redondo Beach under any **public works** contract shall be withheld until the work is approved by the **Public Works Director or City Engineer** and accepted **as complete** by the **City**. **The percentage amount withheld shall be set by ordinance by the City Council.** The **City** shall not accept complete performance under any contract until satisfactory evidence is furnished that all labor and material liens have been completely satisfied by the contractor.

Alternate Option:

Sec. 19.7. Contracts, progress payments.

All **public works** contracts, **except maintenance and repair**, entered into by or on behalf of the City of Redondo Beach may provide for **percentage or progress** payments at various stages of the work contracted for **in proportion to the work then** provided, however, **a percentage** of the total sums payable by the City of Redondo Beach under any **public works** contract shall be withheld until the work is approved by the **Public Works Director or City Engineer** and accepted **as complete** by the **City**. **The percentage amount withheld shall be the amount designated in the CA Public Contract Code.** The **City** shall not accept complete performance under any contract until satisfactory evidence is furnished that all labor and material liens have been completely satisfied by the contractor.