

**APPROVAL OF A REDUCTION IN RETAINAGE**  
**ON THE CONSTRUCTION CONTRACT**  
**FOR THE RENOVATION AT**  
**GLEDOVER ELEMENTARY SCHOOL**  
**BG 12-180**

**BACKGROUND AND RATIONALE:** KDE's 702 KAR 4:160 requires 10% retainage on construction contracts until the project is 50% complete, when a reduction to 5% retainage is allowed. After substantial completion of the work, a reduction to a lump sum amount less than the 5% retainage, which lump sum shall be twice the estimated cost to correct the deficient or incomplete work, may be approved. The contract with Woodford Builders for the renovation of Glendover Elementary School in the amount of \$12,163,000.00 (including direct purchase orders) was accepted and approved by the Board at its March 25, 2013 meeting. Since that time the progress of the work has been reviewed by the Department of Physical Support Services, the design consultants, Pearson & Peters Architects, and the local building code officials. More than 99% of the construction is currently complete, leaving \$625,159.82 for the remainder of the contract work, including the retainage amount. Currently, the contractor has requested with the approval of the surety, the recommendation of the architect and the concurrence of the FCPS Physical Support Services staff, a reduction of the retained amount to a lump sum of \$300,000, which amount the architect confirms is twice the estimated cost to correct the deficient or incomplete work. The Kentucky Department of Education requires that this reduction of the retainage to a lump sum be approved by the Board. Remaining payments to the contractor shall not be made until all work has been completed and accepted by the architect and the Department of Physical Support Services. Prior to final payment, a BG-4 Final Approval and Payment Application Form will be presented for signature by the Superintendent and acceptance of the work by the Board. Approval of this reduction of retainage complies with the intent of the requirements of 702 KAR 4:160 and the Kentucky Department of Education, District Facilities Branch.

**COST:** The remainder of contract amount (including retainage) due to the contractor is \$300,000.00.

**FUNDING SOURCE & BALANCE:**

<u>Fund</u>	<u>Organization Code</u>	<u>Project Code</u>	<u>Object Code</u>
Construction 360	1503603	12180	0450

**STAFF CONTACT:** William R. Wallace, AIA, Director, Facility Design & Construction @ 381.3824

**REFERENCE:** 702 KAR 4:160

**RECOMMENDATION:** A motion is in order to:

"Approve the reduction of the contract retainage to a lump sum of \$300,000.00 (Three Hundred Thousand Dollars) on the contract with Woodford Builders for the renovation of Glendover Elementary School, per the provisions of 702 KAR 4:160."

On motion by \_\_\_\_\_, seconded by \_\_\_\_\_, the Board approved the reduction of the contract retainage to a lump sum of \$300,000.00 (Three Hundred Thousand Dollars) on the contract with Woodford Builders for the renovation of Glendover Elementary School, per the provisions of 702 KAR 4:160.

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John Price, Board Chair

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Marlene Helm, Acting Superintendent

June 22, 2015