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County of Riverside  
Transportation Department  
DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM  
(DOT-Assisted Contracts)

AMENDMENT NUMBER ONE

**I. Purpose**

This Amendment sets forth the contract retention requirements that the County of Riverside Transportation Department will include in all future construction contracts that are Federally funded from United States Department of Transportation funds, and subject to the requirements of Title 49 of the Code of Federal Regulations, Section 26.29.

**II. Background**

Construction contracts administered by the County of Riverside Transportation Department include provisions for the County to retain 10% of each progress payment until completion and acceptance of the work, in accordance with Public Contract Code §9203 and Section 9-1.06 of the Standard Specifications published by the State of California Department of Transportation. The Code of Federal Regulations was revised, by the addition of 49CFR26.29 on June 16, 2003, to establish certain requirements of public agencies receiving Federal Department of Transportation (DOT) funds with respect to contract retentions. The policy statements contained in this amendment are required by 49CFR26.29.

**III. Policy Statement**

In order to ensure prompt and full payment of contract retainage to subcontractors in compliance with 49CFR§26.29, the contracts for public works projects which are funded all or in part from Federal DOT funds shall include contract provisions as follows:

- a. The County of Riverside Transportation Department will include, in each DOT assisted contract, a requirement for the prime contractor to pay each subcontractor for the satisfactory performance of their contract no later than 10 days from receipt of each payment made to the prime contractor for that work, in accordance with 49CFR26.29 and the California Business and Professions Code §7108.5.
- b. The County of Riverside Transportation Department will include, in each DOT assisted contract, provisions to ensure the prompt and full payment of retainage from the prime contractor to each subcontractor within 30 days after the prime contractor receives payment for work satisfactorily completed and accepted. 49CFR26.29 requires recipients of Federal DOT funds to utilize one of three mechanisms to implement this requirement. The mechanism that the County of Riverside Transportation Department has determined to be in the best interest of the County of Riverside is to decline to hold retainage from prime contractors and prohibit prime contractors from holding retainage from subcontractors.
- c. The revised contract requirements shall be reviewed and approved by the Office of County Counsel and by the State of California Department of Transportation prior to implementation.

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Recommended:

*George A. Johnson*  
George A. Johnson, Director of Transportation

Date: 11/5/04

FORM APPROVED  
COUNTY COUNSEL

Approved:

*James A. Veriani*  
Chairman, Board of Supervisors  
County of Riverside

James A. Veriani

ATTEST  
NAVAJITO CAMERO, Clerk  
*Navajito Camero*  
COUNTY CLERK

Date: NOV 23 2004

NOV 09 2004  
BY: *Wm. Keith*

This Disadvantaged Business Enterprises Program Amendment is accepted by:

*Lami D. Beula for*  
*Wendy W. Li*  
[Signature of DLAE]

Date: 12/14/04

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