



Legislation Text

File #: 18-712, Version: 2

MEMORANDUM

TO: Board of Directors, Lake County Sanitation District (LACOSAN)

FROM: Jan Coppinger, Administrator
Dan Janakes, Deputy Administrator - Fiscal

DATE: August 28, 2018

SUBJECT: (Sitting as Lake County Sanitation District, Board of Directors) Approve Escrow Account for 5% Retainage on the Anderson Springs Sewer Project Construction Contract for K.J. Woods Construction, Inc.

EXECUTIVE SUMMARY: On November 7, 2017, Lake County Sanitation District entered into a contract with K.J. Woods Construction, Inc. for the Anderson Springs Sewer Project.

The amount of the contract is \$6,948,000.00. The terms of the contract specify a 5% retainage and in accordance with California Public Contract Code, allow the contractor the option to substitute securities of an equivalent value in lieu of the retainage.

K.J. Woods Construction, Inc. has elected to establish an escrow account for the 5% retainage with Boston Private Bank & Trust Company. K.J. Woods Construction, Inc. will be responsible for all costs and fees to establish and administer the account. As progress payments are requested and approved, 95% of the progress payment will be remitted to the contractor and 5% will be remitted to the escrow account.

Contractor may only receive principle of the escrow account with written notice to escrow agent and written authorization of Lake County Sanitation District. Interest earned on the account will belong to the contractor and may be withdrawn by the contractor at any time.

FISCAL IMPACT: ☒ None ☐ Budgeted ☐ Non-Budgeted
Estimated Cost:
Amount Budgeted:

FISCAL IMPACT (Narrative): N/A

STAFFING IMPACT (if applicable): N/A

RECOMMENDED ACTION: Approve Escrow Account for 5% Retainage on the Anderson Springs Sewer Project Construction Contract for K.J. Woods Construction, Inc.