Retainage

Does Florida withhold retainage?

Yes, as provided by [Standard Specifications 9.5](https://www.fdot.gov/programmanagement/implemented/specbooks/default.shtm) and the Construction Project Administration Manual (CPAM):

1. FDOT pays contractors in part based on work completed each month (monthly estimates).
2. FDOT withholds a portion of the payment as retainage when the project has used more than 75% of the contract time and when the work performed exceeds the contract amount by more than 15%.
3. The retained amount is 10% of the money due on the current payment estimate.
4. FDOT also withholds payments if there are issues, like defective work or if the contractor is out of compliance with contract conditions.
5. Retainage is released on the final estimate. Retainage may be reduced after final acceptance to $1000 if the contractor submits all required documentation.
6. Additionally, FDOT may deduct any money owed by the contractor to the Department.

Per [CPAM 5.11](https://www.fdot.gov/construction/manuals/cpam/cpammanual.shtm), , use these steps to calculate retainage:

1. Start with the estimate for the project, which can include various adjustments like fuel costs, bitumen costs, CPF (Cost of Price Fluctuation), and potential liquidated damages, among others.
2. Exclude the retainage amount from this estimate.
3. Run the report “PrC Pay Estimate Report” also known as the TSO Estimate Report. This report will help determine the final payment amount.
4. Look at the “Change This Estimate” column in the report, which represents the amount payable to the contractor.
5. Take this amount and move the decimal point one place to the left (which is the equivalent to 10%).
6. Round to the nearest penny.
7. The rounded amount is the retainage to withhold from the payment to the contractor.

To apply the retainage to the monthly estimate, use these steps:

1. Once the retainage amount has been calculated by the above method, go to the project that earnings are being made against.
2. Apply the calculated retainage as a “Contract Adjustment” to the project’s estimate.
3. Process the estimate again with the retainage adjustment included.