

15.72 PROGRESS PAYMENTS ON PUBLIC CONTRACTS; RETAINAGE.

Subdivision 1. **Monthly payments.** Unless the terms of the contract provide otherwise, a public contracting agency shall make progress payments on a public contract for a public improvement monthly as the work progresses. Payments shall be based upon estimates of work completed as approved by the public contracting agency. A progress payment shall not be considered acceptance or approval of any work or waiver of any defects therein.

Subd. 2. **Retainage.** A public contracting agency may reserve as retainage from any progress payment on a public contract for a public improvement an amount not to exceed five percent of the payment. A public agency may reduce the amount of the retainage and may eliminate retainage on any monthly contract payment if, in the agency's opinion, the work is progressing satisfactorily.

History: 1980 c 464 s 2