162.10 MS 1953 [Repealed, 1957 c 584 s 1]

162.10 LIMITATION ON PAYMENT OF CONTRACT PRICE.

Whenever the construction or improvement of any municipal state-aid street is to be done by contract, and the construction or improvement is not financed in whole or in part by federal aid highway money, the governing body of the city shall agree in the contract to pay the contractor an amount not exceeding 95 percent of the value of the work from time to time actually completed, as shown by monthly estimates thereof made by the engineer of the city on the basis of the contract prices, and shall further agree that when the work is 95 percent or more completed upon the recommendation of the city engineer such portions of the retained price shall be released as the governing body of the city determines are not required to be retained to protect the city's interest in completion of the contract. In such case it shall be lawful for the appropriate disbursing officers of the city to pay the contractor an amount consistent with the above prescribed limitations of the value of the work so completed and specified in the engineer's monthly estimate without allowance of a claim therefor by the governing body of the city. Failure to pay any amount due and payable under the terms of the contract within 30 days of a monthly estimate or 90 days after the final estimate of the value of the work completed shall obligate the city to pay to the contractor simple interest on the past due amount at an annual rate equal to the Monthly Index of Long Term United States Bond Yields for the month prior to the month in which this obligation is incurred plus an additional one percent per annum. Interest shall not be imposed with respect to any amount which a city may legally withhold as a result of breach of contract or other contractual claim, or if the delay is caused by the contractor.

History: *1959 c 500 art 3 s 10; 1973 c 123 art 5 s 7; 1975 c 259 s 1; 1977 c 144 s 2; 1980 c 464 s 7*