

**Regulation 3314: Payment For Goods And Services**

**Status:** DRAFT

**Original Adopted Date:** 11/27/2012 | **Last Reviewed Date:** 11/27/2012

**Payment for Construction Contracts**

Payment on any contract for the creation, construction, alteration, repair, or improvement of any district property or facility or other public works project shall be made in accordance with the estimates, process, and/or schedule approved by the Governing Board.

As necessary, the Superintendent or designee may make progress payments as actual work is completed or materials are delivered. When a payment request is properly submitted by a contractor, any undisputed portion of the payment request shall be paid within 30 days. If the Superintendent or designee determines any payment request to be improper, he/she shall return the payment request to the contractor with a written statement of reasons why the request is not proper. (Public Contract Code 9203, 20104.50)

The district may withhold up to five percent of the proceeds due to the contractor until completion and acceptance of the project. (Public Contract Code 7201)

The proceeds to be withheld by the district may exceed five percent when the Board has made a finding, prior to the bid and during a properly noticed and regularly scheduled **public** meeting, that the project is substantially complex and requires a higher retention amount than five percent. In such cases, the Board's finding **shall include a description of the specific project and why it is a unique project that is not regularly, customarily, or routinely performed by the district or licensed contractors. The bid documents shall include details explaining the basis for the finding** and the actual amount to be withheld shall be included in the bid documents. (Public Contract Code 7201)

At any time after 50 percent of the work has been completed, the Board may release the withheld proceeds if it finds that satisfactory progress is being made. (Public Contract Code 9203)

Proceeds withheld by the district from payments to contractors for public works contracts shall be released within 60 days after the construction or improvement is completed. In the event of a dispute between the district and the contractor, the district may withhold from the final payment an amount not to exceed 150 percent of the disputed amount. (Public Contract Code 7107)

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**Policy Reference Disclaimer:** These references are not intended to be part of the policy itself, nor do they indicate the basis or authority for the board to enact this policy. Instead, they are provided as additional resources for those interested in the subject matter of the policy.

**State References**

**Description**

2 CCR 22000-22005	Digital signatures - <a href="https://simbli.eboardsolutions.com/SU/jjoxXkoplusnISsKsJaPslshQplusYg==">https://simbli.eboardsolutions.com/SU/jjoxXkoplusnISsKsJaPslshQplusYg==</a>
CCP. 685.010	Rate of interest - <a href="https://simbli.eboardsolutions.com/SU/ICui7yTZI55GsYXWV3f4Mg==">https://simbli.eboardsolutions.com/SU/ICui7yTZI55GsYXWV3f4Mg==</a>
Ed. Code 17605	Delegation of authority to purchase supplies and equipment
Ed. Code 42630-42651	Orders, requisitions and warrants
Ed. Code 42800-42806	Revolving cash fund
Ed. Code 42810	Revolving cash funds; use; administrators
Ed. Code 42820	Prepayment funds
Gov. Code 16.5	Digital signatures

Gov. Code 5500-5506	Uniform Facsimile Signatures of Public Officials Act
Gov. Code 8111.2	Definition of public entity
Pub. Cont. Code 20104.50	Timely progress payments
Pub. Cont. Code 7107	Retention proceeds; withholding; disbursement
Pub. Cont. Code 7201	Retention proceeds; limits and exceptions
Pub. Cont. Code 9203	Payment for projects costing over \$5000

**Management Resources References**

Website	California Secretary of State, digital signatures - <a href="https://simbli.eboardsolutions.com/SU/rLQWpu9nOpaVis5clkoAOg==">https://simbli.eboardsolutions.com/SU/rLQWpu9nOpaVis5clkoAOg==</a>
Website	CSBA - <a href="https://simbli.eboardsolutions.com/SU/W3QxkK2FPsDsQBnMIENxGg==">https://simbli.eboardsolutions.com/SU/W3QxkK2FPsDsQBnMIENxGg==</a>
Website	Fiscal Crisis and Management Assistance Team - <a href="https://simbli.eboardsolutions.com/SU/1KDBnxplus9GCiDTyFvbLOOxQ==">https://simbli.eboardsolutions.com/SU/1KDBnxplus9GCiDTyFvbLOOxQ==</a>

**Cross References**

3230	Federal Grant Funds - <a href="https://simbli.eboardsolutions.com/SU/U7QTeU9Soli935xKxaXdplusQ==">https://simbli.eboardsolutions.com/SU/U7QTeU9Soli935xKxaXdplusQ==</a>
3230	Federal Grant Funds - <a href="https://simbli.eboardsolutions.com/SU/Oh3eMwsYd7zIFD5OxF2rsg==">https://simbli.eboardsolutions.com/SU/Oh3eMwsYd7zIFD5OxF2rsg==</a>
3300	Expenditures And Purchases - <a href="https://simbli.eboardsolutions.com/SU/yYy1CH64rE6t4GfplusXglZzA==">https://simbli.eboardsolutions.com/SU/yYy1CH64rE6t4GfplusXglZzA==</a>
3311	Bids - <a href="https://simbli.eboardsolutions.com/SU/4rOhsyLofrigJRhzplusINOMg==">https://simbli.eboardsolutions.com/SU/4rOhsyLofrigJRhzplusINOMg==</a>
3311	Bids - <a href="https://simbli.eboardsolutions.com/SU/9Yfp9XgBK9CvZxdp5LHYFg==">https://simbli.eboardsolutions.com/SU/9Yfp9XgBK9CvZxdp5LHYFg==</a>
3312	Contracts - <a href="https://simbli.eboardsolutions.com/SU/RtEPentWF4fC8KdSsZuiQQ==">https://simbli.eboardsolutions.com/SU/RtEPentWF4fC8KdSsZuiQQ==</a>
3314.2	Revolving Funds - <a href="https://simbli.eboardsolutions.com/SU/wdb2F9MeGf8LOmXvPq4FGw==">https://simbli.eboardsolutions.com/SU/wdb2F9MeGf8LOmXvPq4FGw==</a>
3400	Management Of District Assets/Accounts - <a href="https://simbli.eboardsolutions.com/SU/lquTQBiyMztolslshn5MKew7w==">https://simbli.eboardsolutions.com/SU/lquTQBiyMztolslshn5MKew7w==</a>
3400	Management Of District Assets/Accounts - <a href="https://simbli.eboardsolutions.com/SU/8TrCdaxJyMGDCoGDI8wO9g==">https://simbli.eboardsolutions.com/SU/8TrCdaxJyMGDCoGDI8wO9g==</a>
3460	Financial Reports And Accountability - <a href="https://simbli.eboardsolutions.com/SU/ZZKplusS3He9zslshfzmUKeOe4slshQ==">https://simbli.eboardsolutions.com/SU/ZZKplusS3He9zslshfzmUKeOe4slshQ==</a>
3460	Financial Reports And Accountability - <a href="https://simbli.eboardsolutions.com/SU/URScodNCGtnDxTzhVq1RCw==">https://simbli.eboardsolutions.com/SU/URScodNCGtnDxTzhVq1RCw==</a>
9320	Meetings And Notices - <a href="https://simbli.eboardsolutions.com/SU/OxDNy6bT6iJslshUjLW43u4bg==">https://simbli.eboardsolutions.com/SU/OxDNy6bT6iJslshUjLW43u4bg==</a>
9324	Minutes And Recordings - <a href="https://simbli.eboardsolutions.com/SU/soUJFnL8INplusXOW3UtoNvXg==">https://simbli.eboardsolutions.com/SU/soUJFnL8INplusXOW3UtoNvXg==</a>