

November 22, 2006

Distribution

Subject: **Construction Contract Retention Change**

Dear Contractor/Design Consultant:

Starting on January 01, 2007, the City of San Diego will no longer require a graduated retention withholding system on its construction contracts. A simpler plan which requires a flat 5% retention (to be withheld on a monthly basis throughout the contract duration) will be implemented. This policy change will be reflected in all City's new construction contracts where applicable.

Sincerely,

Afshin Oskoui
Deputy Director, Architectural Engineering & Contracts,
Engineering & Capital Projects Department

Stacey Stevenson
Deputy Director, Contracting Division,
Purchasing & Contracting Department

CC: Deputy Directors