

insurance company duly licensed by the Insurance Commission and confirmed by the OWNER.

3. The CONTRACTOR shall repay the advance payment by deducting fifteen percent (15%) from the periodic progress payments.
4. The CONTRACTOR may submit a request for payment for work accomplished, but not more than once each month. Such request for payments shall be verified and certified by the Project Engineer of the owner. Except otherwise stipulated in the Instructions to Bidders.

ARTICLE 5 – RETENTION MONEY

Progress payments submitted by the CONTRACTOR are subject to retention of ten percent (10%) referred to as the retention money. Such retention shall be based on the total amount due the CONTRACTOR prior to any deduction and shall be retained from every progress payment. Until fifty percent (50%) of the value of works, as determined by the OWNER, are completed, the work is satisfactory done and on schedule, no additional retention shall be made; otherwise the ten percent (10%) retention shall be imposed. The total retention money shall be due to release upon final acceptance of the works. However, the OWNER may, upon request of the CONTRACTOR release the retention money after fifty percent (50%) of the value of works has been completed, provided that the CONTRACTOR shall post a surety bond callable on demand equivalent in amount to the retention money released and subject to the condition that the owner shall continue to subject to the condition that the owner shall continue to subject succeeding progress payments on the remaining balance of work to a five (5%) retention, provided further that the works are satisfactory done and on schedule.

ARTICLE 6 – LIQUIDATED DAMAGES

Where the CONTRACTOR refuses or fails to satisfactorily complete the work within the specified contract time, plus any time extension duly granted and is hereby in default under the contract, the CONTRACTOR shall pay the OWNER for liquidated damages, and not by the way of penalty, an amount to be determined in accordance with the following formula, for each calendar day of delay until the works is completed and accepted or taken over by the owner:

$$LD = 0.75 \times CP/CT$$

Where:

LD = amount of liquidated damages for each calendar day of delay

CP = total contract price minus the value of the completed portions of the contract certified by the owner as usable as of the expiration of the contract time.

CT = contract time plus any time extension duly granted to the contractor