

CONSTRUCTION CONTRACTS WITH CERTAIN PUBLIC AGENCIES (EXCERPT)
Act 524 of 1980

125.1561 Definitions.

Sec. 1. As used in this act:

(a) "Agent" means the person or persons agreed to or selected by the contractor and the public agency pursuant to section 4(2).

(b) "Architect or professional engineer" means an architect or professional engineer licensed under Act No. 299 of the Public Acts of 1980, being sections 339.101 to 339.2601 of the Michigan Compiled Laws, and designated by a public agency in a construction contract to recommend progress payments.

(c) "Construction contract" or "contract" means a written agreement between a contractor and a public agency for the construction, alteration, demolition, or repair of a facility, other than a contract having a dollar value of less than \$30,000.00 or a contract that provides for 3 or fewer payments.

(d) "Contract documents" means the construction contract; instructions to bidders; proposal; conditions of the contract; performance bond; labor and material bond; drawings; specifications; all addenda issued before execution of the construction contract and all modifications issued subsequently.

(e) "Contractor" means an individual, sole proprietorship, partnership, corporation, or joint venture, that is a party to a construction contract with a public agency.

(f) "Facility" means a building, utility, road, street, boulevard, parkway, bridge, ditch, drain, levee, dike, sewer, park, playground, or other structure or work that is paid for with public funds or a special assessment.

(g) "Progress payment" means a payment by a public agency to a contractor for work in place under the terms of a construction contract.

(h) "Public agency" means this state, or a county, city, township, village, assessment district, or other political subdivision, corporation, commission, agency, or authority created by law. However, public agency does not include the state transportation department, a school district, junior or community college, the Michigan state housing development authority created in Act No. 346 of the Public Acts of 1966, as amended, being sections 125.1401 to 125.1496 of the Michigan Compiled Laws, and a municipal electric utility or agency. "Assessment district" means the real property within a distinct area upon which special assessments are levied or imposed for the construction, reconstruction, betterment, replacement, or repair of a facility to be paid for by funds derived from those special assessments imposed or levied on the benefited real property.

(i) "Retainage" or "retained funds" means the amount withheld from a progress payment to a contractor pursuant to section 3.

History: 1980, Act 524, Eff. Jan. 1, 1983.