

Sub-Part 7401 – Contract Administration

Chapter 07000 Substitution with Securities

Purpose

- 100 The purpose of this provision is to establish a procedure for the withdrawal by the contractor of amounts retained on contracts by furnishing security in compliance with Section 31-5-15 *Mississippi Code of 1972 as amended*.
- 101 Under any public contract made or awarded by the Mississippi Transportation Commission, the Contractor may, with the written consent of his or its surety, from time to time, withdraw the whole or any portion of the amount retained from payments due the Contractor pursuant to the terms of the contract by depositing with the State Treasurer of the State of Mississippi the securities as written in Section 31-5-15 *Mississippi Code of 1972 as amended*, or any combination thereof in an amount equal to or in excess of the amount so withdrawn, said securities to be accepted at the time of deposit at market value but not in excess of par value.
1. The contractor will deposit acceptable security, as indicated by Section 31-5-15 *Mississippi Code of 1972 as amended*, supported by a properly executed power of attorney if required, with the State Treasurer of the State of Mississippi. At the time of deposit of security, the contractor will have had his surety furnish the State Treasurer written consent to withdraw the whole or any portion of the amount(s) retained, not to exceed the specified and acceptable value of the deposited security, from payments due to the contractor pursuant to the terms of the contract. The written statement furnished by the surety may be submitted in such form as to extend the consent for withdrawal of retainage throughout the life of the contract as limited by the value of current and subsequent deposit(s) of security. Three copies of this approved surety should be submitted to the Contract Administration Engineer.
 2. The Contractor will make a written request (letter, telegram, fax, Email) to the Contract Administration Engineer, indicating the total amount of the security, and will designate the project or projects to which the security is to be credited, and in case of its application to two or more contracts, designate the value to be credited to each project or contract.
 3. The Contractor will furnish the Contract Administration Engineer with a signed document from the contractor's bank, meeting all requirements as required by Section 31-5-15 *Mississippi Code of 1972 as amended*, which indicates at minimum the security's Cusip number, receipt number, par value, market value, maturity date, effective date, type of security, pledged member(s), contractor's name and account number. As applicable, Contract Administration will specify all deadlines for the retainage withdrawal request to appear on the future monthly estimate.
 4. Contract Administration will then furnish the Contractor with signed documentation that all securities have been approved for substitution of retainage.
- 102 Electronic links to all materials referenced (manuals, laws, regulations, etc.) relative to the Administrative Procedures Act Rules for the Contract Administration Division may be accessed via the department's internet website as follows: <http://www.gomdot.com>