

1 **Fresno County Zoo Authority**

2 **Retention Policy**

3 **Adopted September 30, 2015**

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5 **Purpose**

6 This Policy provides requirements for Agreements between the Fresno Chaffee
7 Zoo Corporation (ZooCorp) and any party acting as a Construction Manager at Risk, for
8 construction of Measure Z funded capital projects, and the process for the disbursement
9 of Measure Z funds and release of funds in escrow when there is agreement for security
10 deposits in lieu of retention. In carrying out this Policy, the Authority and ZooCorp, shall
11 comply with California Public Contract Code §7201, as applicable.

12 **Definitions**

- 13 1. "Agreement" shall be defined herein as an executed contract.
- 14 2. "Retention" shall be defined as the percentage of the Measure Z funds retained
15 by the ZooCorp for security purposes relating to work to be performed on claims
16 reimbursed for Capital Projects over \$30,000, and/or for which there is a
17 Construction Manager at Risk. Retention shall be no less than five percent (5%).
18 If the Authority has approved a finding by the ZooCorp, on a project by project
19 basis, during a properly noticed and normally scheduled public hearing and prior
20 to bid, that a project is substantially complex and therefore requires a higher
21 retention amount, Retention may be greater than 5%, but not more than ten
22 percent (10%).
- 23 3. "Escrow Account" shall mean an account established at a financial institution or
24 bank by ZooCorp for purposes of depositing and holding Retention funds paid by
25 the Authority to ZooCorp, pending disbursement, to the Construction Manager at
26 Risk.

1 **Requirements**

- 2 1. ZooCorp requests for funding for construction of Capital Projects over \$30,000
3 (and/or for which there is a Construction Manager at Risk) shall be received for
4 staff and Board member review at least 30 days before the Board meeting at
5 which the funding request will be made, and shall include an Agreement stating
6 the requirement for Retention and its terms.
- 7 2. Requests for funding for the design of Capital Projects over \$30,000 shall be
8 received for staff and Board member review at least 30 days before the Board
9 meeting at which the funding request will be made, and shall include an
10 Agreement.

11 **Procedures for Payment of Invoices by the Authority**

12 ZooCorp invoices are received, reviewed, and paid in accordance with the terms
13 of the December 21, 2005 Agreement Regarding Procedures For Distribution Of Tax
14 Revenue To The Chaffee Zoo, as amended, and with the Authority's Procedures for
15 Approving and Administering Measure Z Funds.

16 **ZooCorp's Deposit of Funds Received From Authority**

17 Not later than two (2) business days from its receipt of funds from the Authority
18 for reimbursement of project invoices, ZooCorp shall deposit Retention funds in the
19 appropriate Escrow Account. Within 1 business day of deposit of funds in the Escrow
20 Account, ZooCorp shall send proof of deposit of the funds to the Authority.

21 **Certification to the Authority**

22 Prior to releasing any Retention funds from the Escrow Account, ZooCorp shall
23 request the release at an Authority Board meeting, at the same time presenting written
24 certification that all conditions of the Escrow Agreement have been met, that the
25 construction project is final and complete in accordance with the construction contract,
26 and that the release of funds in the Escrow Account is appropriate. If applicable, such
27 written certification shall include certification from the project architect or lead engineer
28 that the project has been completed in accordance with the plans and specifications.

1 **Authority Consent to Distribution of Escrow Funds**

2 Upon receipt of the required written certification from ZooCorp that the project is
3 final and complete in accordance with the construction contract, the Authority will not
4 unreasonably withhold its consent to the release of the funds held in escrow. If it
5 withholds consent, the Authority will set forth in writing its objections, stating those items
6 that are not final and complete according to the construction contract.

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