

1 (August 3, 2009)
2 The Contracting Agency will not pay for material on hand when the invoice cost is less
3 than \$2,000. As materials are used in the work, credits equaling the partial payments
4 for them will be taken on future estimates. Each month, no later than the estimate due
5 date, the Contractor shall submit a letter to the Engineer that clearly states: 1) the
6 amount originally paid on the invoice (or other record of production cost) for the items
7 on hand, 2) the dollar amount of the material incorporated into each of the various work
8 items for the month, and 3) the amount that should be retained in material on hand
9 items. If work is performed on the items and the Contractor does not submit a letter, all
10 of the previous material on hand payment will be deducted on the estimate. Partial
11 payment for materials on hand shall not constitute acceptance. Any material will be
12 rejected if found to be faulty even if partial payment for it has been made.