

CIRCULAR

To: All Municipalities, Local Service Districts, Inuit Community Governments, and Consultants, Municipalities Newfoundland Labrador, and Professional Municipal Administrators of NL

Re: Reminder of Open Call, Status Report Thresholds and Mechanics Lien Hold Back

Date: November 1, 2021

1. Open Call for Applications

Please be reminded that the Open call for Applications for 2022-2023 Municipal Infrastructure Cost-Shared Funding Programs is open and **the deadline to submit applications is November 19, 2021**. The Application Guide addresses the requirements of each program. This Guide, along with other important information, can also be found on our website at: <https://www.gov.nl.ca/ti/mi/apply-for-funding/>

2. Minimum Threshold for Status Reports

Status Reports submitted for funded projects must be for a minimum value \$1,000 plus HST. Status Reports submitted that fall below this threshold will not be considered for payment. This requirement will not be enforced for Final Status Reports.

Refer to Section 15 PROGRESS PAYMENTS in the Project Guidelines:
<https://www.gov.nl.ca/ti/files/Policy-Project-guidelines-July-2021.pdf>.

3. Holdback

Holdback is a legislated requirement, stipulated in the Mechanic's Lien Act. This Act requires that ten percent (10%) of the value of certain contracts (e.g. construction contracts) is retained, as the work is completed, for a period of 30 days after the Project is completed. This generally takes the form of a ten percent (10%) holdback being retained during each month's progress billing. **The Holdback required under the Mechanic's Lien Act must not be confused with any amounts held back from progress payments, based on observed progress or deficiencies at the time of the billing.** This hold back can not be used for dispute resolution, deficiencies, incomplete work, etc.

Refer to Section 22.6 MECHANICS' LIEN HOLDBACK in the Project Guidelines and the Mechanics' Lien Act.

If you have any further questions related to these items, or the Project Guidelines, please feel free to reach out to the local Regional Office for further information.

Mr. Inayat Rehman, P. Eng.
Eastern Regional Office
Phone: (709) 729-5337
Email: InayatRehman@gov.nl.ca

Mr. Wilfred Maloney, P. Eng.
Central Regional Office
Phone: (709) 256-1055
Email: WilfMaloney@gov.nl.ca

Mr. Chris Power, P. Eng.
Western Regional Office
Phone: (709) 637-2491
Email: ChrisPower@gov.nl.ca

Mr. Ehsan Khan, P. Eng.
Labrador Regional Office
Phone: (709) 896-2942
Email: EhsanKhan@gov.nl.ca

Sincerely,



Kim Kieley, P. Eng., FEC
Director - Municipal Infrastructure