



Omega Church Consultants, Inc.

architectural • financial • consulting
construction management

Warranties and Retainage

The church may ask the builder or the architect to perform certain services during construction to help insure that the work is properly performed and completed before final payments are made. This normally requires that the architect inspect the project periodically to determine if the project is being constructed in accordance with the plans and codes and that the specified materials and methods are being used. The church will also rely on the local building inspector (if available), bank inspector (if a loan is made), and the builder to protect the church by making regular inspections.

Retainage and warranties are two additional methods of protecting the church during the construction process and beyond. It is common practice on commercial and church projects to hold back a 10% retainage on each payment made to the major subcontractors during construction. This retainage creates leverage to insure that the work is performed in a quality manner and completed. Deficient work can be corrected with the retainage. Retainage is not normally withheld on materials delivered to the jobsite, such as mortar sand or lumber. The retainage is usually only released to the subcontractor after a satisfactory final inspection and upon receipt of a warranty.

Warranty terms vary among the trades and for different types of materials and should be a consideration in each subcontract. For instance roofing materials and metal siding materials may carry a 20-25 year warranty, and the workmanship may be warranted for one year. The builder should compile all the warranties and contact information of all the major subcontractors and suppliers and present this data to the church for their records.

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