

File No. 86414

October 16, 1950.

Mr. R. E. L. Williams
Building Construction Engineer
400 Municipal Office Building
Baltimore - 2, Maryland

Dear Mr. Williams:

Your letter of October 2, 1950, in reference to the construction of the Brooklyn and Canton Recreation Centers by the Globe Improvement Company pursuant to a contract, sets forth that your office is now retaining 10% of the total due under this contract for the completion of each of these projects, or a total amount of \$3,511.00. Your letter further states that Mr. Thomas Hairsine, 2500 Presbury Street, Baltimore, Maryland, has filed a written claim with your office in the amount of \$221.71, claiming that that sum represents moneys due him, as a subcontractor, for painting done for the Globe Improvement Company in connection with these two projects. It is noted that this sum - \$221.71 -- is claimed as resulting from the accumulation of alleged weekly payroll shortages advanced by the Globe Improvement Company to Mr. Hairsine.

Your letter further recites that the Globe Improvement Company has made claim against Mr. Hairsine for breach of contract on these two contracts and has recovered two judgments in the People's Court in the total amount of \$162.50.

As an exhibit to your letter, there was enclosed a communication from Mr. Meyer Gaybis, of the Globe Improvement Company, dated August 30, 1950, suggesting that the City retain \$300.00 of the total of \$3,511.00 still withheld from them, in order to secure the claim of Mr. Hairsine, and release the balance of the 10% now retained, or \$3,211.00, to the Globe Improvement Company.

You ask for advice as to what should be done in the premises to properly protect the interests of the parties concerned.

Although it is provided in Section 28, Subsection (b), of the Specifications, Proposal, Contract and Bond, that the Building Construction Engineer shall retain 10% of the moneys due the contractor until final payment is made, it would appear that this provision is made to protect the interests of the City of Baltimore from any neglects or faults of the contractor or any subcontractor in the completion of the work called for under the contract. Final payment is to be made within thirty-five (35) days after the completion and final acceptance of the entire work under