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March 24, 2003

Assemblyman David Goldwater
Nevada State Capital Building
Carson City, Nevada

Assemblyman Goldwater:

I understand that assembly bill AB393, concerning retention on public work projects, is currently under consideration. This issue is in need of address and MMC, Inc. supports the language being proposed in the bill.

MMC, Inc. has been constructing infrastructure in Nevada since 1969. Throughout that time we have strived to complete timely projects of quality. Over the years we have seen develop a tendency within some public agencies to "control" contractors by restricting their entitlements for payment. Agencies have drafted contract language that allows for ancillary payment withholdings based on random criteria. What has resulted are numerous, hidden retentions in addition to those currently allowed by the NRS. This process is debilitating to the construction industry as it forces contractors to undergo negative cash flow situations, affecting bonding and ability to procure additional contracts.

The process needs to be adjusted. The passage of this bill will greatly improve the current situation. Please contact me if you are in need of any additional information.

Sincerely,
MMC, Inc.

Wesley A. Smith
Operations Manager

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