

SECTION 01 29 00

PAYMENT PROCEDURES

PART 1 - GENERAL

1.1 RELATED DOCUMENTS

- A. Drawings and general provisions of the Contract, including General and Supplementary Conditions and other Division 01 Specification Sections, apply to this Section.

1.2 SUMMARY

- A. Section includes administrative and procedural requirements necessary to prepare and process Applications for Payment.
- B. Related Requirements:
 - 1. Section 01 21 00 "Allowances" for procedural requirements governing the handling and processing of allowances.
 - 2. Section 01 22 00 "Unit Prices" for administrative requirements governing the use of unit prices.
 - 3. Section 01 26 00 "Contract Modification Procedures" for administrative procedures for handling changes to the Contract.
 - 4. Section 01 32 00 "Construction Progress Documentation" for administrative requirements governing the preparation and submittal of the Contractor's construction schedule.
 - 5. For projects required to obtain LEED certification, Division 01 Section "Sustainable Design Requirements" for administrative requirements governing submittal of cost breakdown information required for LEED documentation.

1.3 DEFINITIONS

- A. Schedule of Values: A statement furnished by Contractor allocating portions of the Contract Sum to various portions of the Work and used as the basis for reviewing Contractor's Applications for Payment.

1.4 SCHEDULE OF VALUES

- A. Coordination: Coordinate preparation of the schedule of values with preparation of Contractor's construction schedule. Schedule of values report from cost-loaded Critical Path Method Schedule prepared in accordance with Section 01 32 00 "Construction Progress Documentation" may serve to satisfy requirements for the schedule of values.
 - 1. Coordinate line items in the schedule of values with other required administrative forms and schedules, including the following:
 - a. Application for Payment forms with continuation sheets.
 - b. Submittal schedule.
 - c. Items required to be indicated as separate activities in Contractor's construction schedule.
 - 1) Construction Manager's Fee.

- 2) Estimated Project General Conditions Costs.
2. Submit schedule of values and hold a conference with the Architect/Engineer and University Project Manager to finalize the schedule of values at earliest possible date, but no later than 10 business days before the date scheduled for submittal of initial Certificates and Applications for Payment.

Retain "Subschedules for Separate Elements of Work" Subparagraph below if the Work is divided into separate elements intended for partial occupancy prior to Project Completion.

3. Subschedules for Separate Elements of Work: Where the Contractor's construction schedule defines separate elements of the Work, provide subschedules showing values coordinated with each element.
- B. Format and Content: Use Project Manual table of contents as a guide to establish line items for the schedule of values. Provide at least one line item for each Specification Section.
1. Identification: Include the following Project identification on the schedule of values:
 - a. Project name and location.
 - b. Name of Architect/Engineer.
 - c. Architect/Engineer's project number.
 - d. Contractor's name and address.
 - e. Date of submittal.

Retain first subparagraph below for Small Projects and second subparagraph below for Large Projects.

2. Arrange schedule of values consistent with format of AIA Document G703.
3. Arrange the schedule of values in tabular form with separate columns to indicate the following for each item listed:
 - a. Related Specification Section or Division.
 - b. Description of the Work.
 - c. Name of subcontractor.
 - d. Name of manufacturer or fabricator.
 - e. Name of supplier.
 - f. Change Orders (numbers) that affect value.
 - g. Dollar value of the following, as a percentage of the Contract Sum to nearest one-hundredth percent, adjusted to total 100 percent.
 - 1) Labor.
 - 2) Materials.
 - 3) Equipment.
4. Provide a breakdown of the Contract Sum in enough detail to facilitate continued evaluation of Applications for Payment and progress reports. Coordinate with Project Manual table of contents. Provide multiple line items for principal subcontract amounts in excess of five percent of the Contract Sum.
 - a. Include separate line items under Contractor and principal subcontracts for LEED documentation, where applicable, and other Project closeout requirements in an amount totaling five percent of the Contract Sum and subcontract amount.
5. Round amounts to nearest whole dollar; total shall equal the Contract Sum.

6. Provide a separate line item in the schedule of values for each part of the Work where Applications for Payment may include materials or equipment purchased or fabricated and stored, but not yet installed.
 - a. Differentiate between items stored on-site and items stored off-site. If required, include evidence of insurance.
7. Each item in the schedule of values and Applications for Payment shall be complete. Include total cost and proportionate share of general overhead and profit for each item.
 - a. Temporary facilities and other major cost items that are not a direct cost of actual work-in-place shall be shown as separate line items in the schedule of values.
8. Schedule Updating: Update and resubmit the schedule of values before the next Applications for Payment when Change Orders result in a change in the Contract Sum.

1.5 APPLICATIONS FOR PAYMENT

- A. Each Application for Payment following the initial Application for Payment shall be consistent with previous applications and payments as certified by Architect/Engineer and paid for by University.
 1. Initial Application for Payment, Application for Payment at time of Substantial Completion, and final Application for Payment involve additional requirements.
- B. Pay Application and Schedule Review Meetings: Conduct in accordance with Section 01 31 00 "Project Management and Coordination." Provide draft application for payment and draft schedule update reflecting work accomplished during previous pay period. Review progress achieved; discuss and resolve issues affecting the progress; and review critical activities to be accomplished during the following 90 calendar days.
 1. Jobsite Walk: When required, conduct a walk of the jobsite to confirm progress related to any activity in question.
- C. Monthly Schedule Reporting: Upon conclusion of the Pay Application and Schedule Review Meeting, but not later than the 28th of the month, update the Construction Schedule and submit the Pay Application.
- D. Payment Application Times: Submit Application for Payment to Architect/Engineer by the first day of the month and no more than five (5) business days prior thereto. The period covered by each Application for Payment is per the date indicated in the Application.
- E. Payment Application Review: The Architect/Engineer shall, within five (5) business days after the receipt of each Certificate and Application for Payment, review the Project Application for Payment and either execute a Project Certificate for Payment to the University or notify the Contractor in writing of the reasons for withholding a Certificate.
 1. All applications for payment, except the final application, and the payments there under, shall be subject to correction in the next application rendered following the discovery of any error
- F. Application for Payment Forms: Use State Form SBP-7.2 "Certification for Contractor Payment."
- G. Application Preparation: Complete every entry on form. Notarize and execute by a person authorized to sign legal documents on behalf of Contractor. Architect/Engineer will return incomplete applications without action.

1. Entries shall match data on the schedule of values and Contractor's construction schedule. Use updated schedules if revisions were made.
 2. Include amounts for work completed following previous Application for Payment, whether or not payment has been received. Include only amounts for work completed at time of Application for Payment.
 3. Include amounts of Change Orders issued before last day of construction period covered by application.
 4. Indicate separate amounts for work being carried out under University-requested project acceleration.
- H. Stored Materials: Include in Application for Payment amounts applied for materials or equipment purchased or fabricated and stored, but not yet installed. Differentiate between items stored on-site as approved in advance by the University Project Manager and items stored at an off-site location previously agreed upon in writing.
1. Provide certificate of insurance, evidence of transfer of title to University, and consent of surety to payment, for stored materials.
 2. Provide supporting documentation that verifies amount requested, such as paid invoices. Match amount requested with amounts indicated on documentation; do not include overhead and profit on stored materials.
 3. Provide summary documentation for stored materials indicating the following:
 - a. Value of materials previously stored and remaining stored as of date of previous Applications for Payment.
 - b. Value of previously stored materials put in place after date of previous Application for Payment and on or before date of current Application for Payment.
 - c. Value of materials stored since date of previous Application for Payment and remaining stored as of date of current Application for Payment.
- I. Transmittal: Submit three signed and notarized original copies of each Application for Payment to Architect/Engineer by a method ensuring receipt. One copy shall include waivers of lien and similar attachments if required.
1. Transmit each copy with a transmittal form listing attachments and recording appropriate information about application.
- J. Initial Application for Payment: Administrative actions and submittals that must precede or coincide with submittal of first Application for Payment include the following:
1. List of subcontractors.
 2. Schedule of values.
 3. For projects required to obtain LEED certification, LEED submittal for project materials cost data.
 4. Contractor's construction schedule (preliminary if not final).
 5. Products list (preliminary if not final).
 6. For projects required to obtain LEED certification, LEED action plans.
 7. Schedule of unit prices.
 8. Submittal schedule (preliminary if not final).
 9. List of Contractor's staff assignments.
 10. List of Contractor's principal consultants.
 11. Copies of building permits.
 12. Copies of authorizations and licenses from authorities having jurisdiction for performance of the Work.
 13. Initial progress report.
 14. Report of preconstruction conference.

- K. Application for Payment at Substantial Completion: After Architect/Engineer issues the Certificate of Substantial Completion, submit an Application for Payment showing 100 percent completion for portion of the Work claimed as substantially complete.
 - 1. Include documentation supporting claim that the Work is substantially complete and a statement showing an accounting of changes to the Contract Sum.
 - 2. This application shall reflect Certificate(s) of Substantial Completion issued previously for University occupancy of designated portions of the Work.

- L. Final Payment Application: After completing Project closeout requirements, submit final Application for Payment with releases and supporting documentation not previously submitted and accepted, including, but not limited, to the following:
 - 1. All items on Pre-acceptance Checklist (State Form SBP-05) have been completed.
 - 2. Notice of Acceptance (State Form SBP-6.27) has been issued.
 - 3. Statements to support local sales tax refunds, if any submitted.
 - 4. Notice of Contractor's settlement has been published.
 - 5. Evidence of completion of Project closeout requirements, including but not limited to:
 - a. Submittal of Record Documents.
 - b. Submittal of all Operation and Maintenance Manuals.
 - c. Completion of all required demonstration and training.
 - 6. Updated final statement, accounting for final changes to the Contract Sum.
 - 7. Evidence that claims have been settled.
 - 8. Final meter readings for utilities, a measured record of stored fuel, and similar data as of date of Substantial Completion or when University took possession of and assumed responsibility for corresponding elements of the Work.
 - 9. Final liquidated damages settlement statement.

PART 2 - PRODUCTS (Not Used)

PART 3 - EXECUTION (Not Used)

END OF SECTION 01 29 00