

SECTION 012900 – APPLICATIONS FOR PAYMENT

PART 1 - GENERAL

1.1 RELATED DOCUMENTS

- A. Drawings and General Provisions of the Contract, including Special Requirements, General Conditions and other Division 1 Specifications Sections apply to this Section.

1.2 SUMMARY

- A. This Section specifies administrative and procedural requirements governing each Prime Contractor's applications for payment.
- B. Submit the required Schedule of Values to the University Project Manager and Contract Specialist on or before August 12, 2022. No application for payment will be approved by the University until the Schedule of Values has been approved by the Professional and the University.

1.3 SCHEDULE OF VALUES

- A. Each Contractor shall establish a detailed breakdown of the costs indicating a schedule of quantities and values for the items of work included in his Contract. This detailed breakdown of the costs shall be his Schedule of Values. The Schedule of Values shall be coordinated with the Construction Schedule, subcontractors and suppliers, the Application for Payment form, and other required administrative schedules and forms.
- B. The Schedule of Values shall use the format provided at the end of this Section, or another format acceptable to the University. The listing of Technical Specifications in the Project Manual Table of Contents may be used as a guide to establish the Items for the Schedule of Values.
 - 1. The Contract Price should be broken down into components represented by Items (Columns: Item Number and Item Description) in sufficient detail to facilitate evaluation of progress for progress reports and Applications for Payment.
 - 2. Principal subcontract amounts should be broken down into several Items. Each Item should be complete including its total cost and proportionate share of general and administrative overhead and profit.
 - 3. All dollar amounts should be rounded to the nearest whole dollar. The total of all the Items (Column: Extended Prices) should equal the Contract price.
- C. General:
 - 1. Items must be listed according to building or area.
 - 2. Temporary services and/or equipment furnished at the Contractor's cost that are not an integral part of the project may not be shown on the breakdown. The cost of these items (with the exception of temporary heat) must be prorated throughout the items of work, material and/or equipment to which it pertains.
 - 3. Contract bonds shall be shown as the first items. The bond may not exceed two percent of the contract award amount unless a receipt is provided and the amount is approved the Project Manager. The receipt for the bond must be submitted with the original Schedule of Value form.
 - 4. Temporary heat, if required by the Contract must be shown on the breakdown as a separate line item.

5. Site surveying, as a line item is only permitted by the General Contractor.
6. Items to be subcontracted must be designated by the word "subcontractor".
7. Mobilization. The Contractor may include itemized mobilization costs as a separate Item.
 - a. Mobilization costs should include those costs required for establishment of the field construction operations, but not including costs for the continued operation of the field construction operations for the duration of the project.
 - b. For Contracts up to \$6,000,000, the Contractor may include mobilization costs of up to three-quarters of a percent (0.75%) of the contract price at award.
 - c. For Contracts exceeding \$6,000,000, the Contractor may propose mobilization costs in excess of \$45,000, but the final amount shall be determined by negotiation with the University before submission of the Schedule of Values for approval. Contract duration should also be a consideration in negotiation of mobilization costs.
 - d. Mobilization costs, if included on the Schedule of Values, may include, as appropriate:
 - (1) Setup of field offices/trailers and storage buildings/facilities
 - (2) Setup/hookup of telephone, and other services for the offices/trailers and the site
 - (3) Setup/hookup of temporary power, water, and other utilities and services required for construction
 - (4) Installation of fencing, construction fencing, gates, and other protective and demarking facilities
 - (5) Installation of access routes, parking, and storage facilities
 - (6) Installation of signs, postings, and traffic control
 - (7) Site survey, to include establishing construction baselines and benchmarks
 - (8) Acquisition of safety and health general protective equipment for the workforce and the general public, to include protective facilities
 - (9) Building permits and other permits
 - (10) Other appropriate costs
8. General Condition Costs. The Contractor may include general conditions costs, commonly called field office overhead costs, as a separate Item.
 - a. General conditions costs should represent the cost of continued operation of the field construction site and operations for the duration of the project.
 - b. For Contracts up to \$6,000,000, the Contractor may include general conditions costs of up to four percent (4%) of the contract price at award.
 - c. General conditions costs, if included on the Schedule of Values, may include, as appropriate:
 - (1) Salaries of onsite management personnel and other personnel not assigned to any specific Item(s) of work and not paid from general and administrative overhead

- (2) Cost of vehicles and equipment not assigned to any specific Item(s) of work
 - (3) Rental of field offices/trailers and storage buildings/facilities
 - (4) Cost of telephone and other services for the offices/ trailers and the site
 - (5) Cost of temporary power and other utilities and services required for construction
 - (6) Periodic and ongoing maintenance of fencing, construction fencing, gates, and other protective and demarking facilities
 - (7) Periodic and ongoing maintenance of access routes, parking, and storage facilities
 - (8) Periodic and ongoing maintenance of signs, postings, and traffic control
 - (9) Periodic and ongoing safety and health activities for the workforce and the general public, to include protective facilities
 - (10) Periodic and ongoing maintenance of erosion control, dust control, and environmental protection
 - (11) Other appropriate costs
9. Operation and Maintenance Manuals shall be indicated as one line item
10. As-built Record drawings shall be indicated as one line item.

1.4 APPLICATIONS FOR PAYMENT

- A. Each Application for Payment shall be consistent with previous applications and payments as certified and paid by the University. The initial Application for Payment, the Application for Payment at time of Substantial Completion, and the Final Application for Payment involve additional requirements, as outlined herein.
 - B. Payment Application Times: The schedule of periodic payment and specific dates will be reviewed by the University at the Pre-Construction Meeting. Payments will be made not more than once monthly. The period of construction work covered by each application or payment is the period indicated in the Agreement.
 - C. Forms: The Application and Certificate for Payment form, AIA Document G702 and G703 will be used. Submit two (2) at each request.
 - D. Application Preparation: For every application, complete every entry on the form, including notarization and execution by person authorized to sign legal documents on behalf of the Contractor. Incomplete applications will be returned without action.
1. Entries shall match data on the Schedule of Values and the Contractor's Construction Schedule. Use updated schedules if revisions have been made.
 2. Include amounts of fully executed Change Orders and Construction Change Directives issued prior to the last day of the construction period covered by the application.
 3. Prevailing Wage Act Certifications: For each project in which prevailing wages are required, the Contractor shall comply with all the requirements of the Prevailing Wage Act, including the submission of weekly wage reports to the University. No application for payment will be considered complete without the attachment of the certification of the wages paid by the Contractor, for the time period of the application for payment.

- E. An Application for Payment will be processed for payment if it is a proper invoice. If it contains:
 - 1. Itemization and substantiation of the amount requested, and certification.
 - 2. Certification shall be a signed statement by the Contractor acknowledging that the work covered by the application for payment has been completed in accordance with the contract, that all amounts have been paid to subcontractors and suppliers for work for which previous payments were made by the University, and that the current requested payment is now due.
 - 3. All other requirements, such as deficiencies that arise from statutorily required submissions, deficiencies that arise from System, University, or contractually-required submissions, and deficiencies that arise from other contractual requirements, will not stop an application for payment from being processed, but instead, will result in withholding of money from the payment.
- F. If the University determines that the Application for Payment is not a proper invoice, the University will notify the Contractor as soon as possible, but no later than seven (7) days from receipt of the Application for Payment, that it is not a proper invoice and as to the reasons why. In this case the Contractor shall be required to submit a new Application for Payment.

1.5 INITIAL APPLICATION FOR PAYMENT

- A. The University may reject the Initial Application for Payment if the following items have not been submitted or completed by the Contractor prior to or in conjunction with the Initial Application for Payment.
 - 1. Approved Schedule of Values
 - 2. Contractor's construction schedule (preliminary if not final)
 - 3. List of Subcontractors
- B. The University may reject an Application for Payment if the Preliminary Project Schedule or the Initial Project Schedule, in accordance with Section 013200, CPM Schedule & Reports, are due by the date of that Application for Payment but have not been submitted.

1.6 APPLICATION FOR PAYMENT AT SUBSTANTIAL COMPLETION

- A. Requirements for substantial completion are found in Section 017700 - Project Closeout. Following issuance of the Certificate of Substantial Completion, submit an Application for Payment for reduction in retainage. This application shall reflect any Certificates of Partial Substantial Completion issued previously for University occupancy of designated portions of the work. Administrative actions and submittals that precede or coincide with this application include:
 - 1. In the Application for Payment, show 100 percent completion for the portion of the work claimed as substantially complete and accepted by the University as such.
 - 2. For those items that are not 100 percent complete, provide a schedule to complete the incomplete work items and a cost estimate to complete each item, as identified on the University's punch list of uncompleted work items attached to the Certificate of Substantial Completion.
 - 3. Submit the Consent of Surety for Reduction of Retainage (AIA G707A).

4. Submit a final liquidated damages settlement statement (if applicable).

1.7 FINAL PAYMENT

- A. Requirements for final completion are found in Section 017700 - Project Closeout. Upon providing the required the close-out documentation, submit an Application for Final Payment. Administrative actions and submittals that must precede or coincide with submittal of the application for payment for final payment include the following:
 1. Submit the Consent of Surety to Final Payment (AIA G707)
 2. Submit the Contractors Affidavit of Claim & Debts (AIA G706)

1.8 PAYMENT FOR STORED MATERIALS

- A. The University will consider making payment on account for materials or equipment not incorporated in the work, but delivered and suitably stored at the site, or at some other location agreed upon. For materials or equipment that are delivered and suitably stored at the site, the method of payment is included in the application for payment process outlined in the General Requirements. If the Contractor desires to receive payment for materials that have been delivered to the Contractor, paid for and stored at the Contractor's place of business or some other storage site, then the following provisions must be followed:
 1. There must be a determination by the University, in writing, that the materials and/or equipment are critical to the Project. This shall be accomplished using the University's Permission to Store Materials Form.
 2. Payment shall be conditioned upon submission by the Contractor of Bills-of-Sale Forms (provided by the University) to establish the University's title to such material and/or equipment which remain under the custody and control of the Contractor regardless of the exclusions in the insurance policies as required under the University's Bill-of-Sale Form.

PART 2 - PRODUCTS (Not Applicable)

PART 3 - EXECUTION (Not Applicable)

END OF SECTION 012900