

SECTION 01 29 00 - PAYMENT PROCEDURES

PART 1 - GENERAL

1.1 RELATED DOCUMENTS

- A. Drawings and general provisions of the Contract, including General 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.
  - 1. Applications for Payment not submitted in accordance with this section will not be processed.
- B. Related Requirements:
  - 1. Division 01 Section "Allowances" for administrative requirements for the use of project allowances and for allowances that shall be identified on the Schedule of Values.
  - 2. Division 01 Section "Unit Prices" for administrative requirements governing the use of unit prices.
  - 3. Division 01 Section "Contract Modification Procedures" for administrative procedures for handling changes to the Contract.
  - 4. Division 01 Section "Construction Progress Documentation" for administrative requirements governing the preparation and submittal of the Contractor's construction schedule.

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 ACTION SUBMITTALS

- A. Preliminary Outline.
- B. Schedule of Values.

1.5 SCHEDULE OF VALUES

- A. Coordination: Coordinate preparation of the schedule of values with preparation of Contractor's construction schedule.
  - 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.

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2. Submit the schedule of values to Architect at earliest possible date, but no later than fourteen (14) days before the date scheduled for submittal of initial Applications for Payment.
  3. Subschedules for Phased Work: The Work is separated into phases and requires separately phased payments, provide subschedules showing values coordinated with each phase of payment.
  4. Subschedules for Designated Building Units: Where the construction is depicted in building units (Unit A, Unit B, etc.), provide subschedules showing values coordinated with each element.
- B. Format: 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.
    - c. Architect's project number.
    - d. Contract number and contract name.
    - e. Contractor's name and address.
    - f. Date of submittal.
  2. Arrange the schedule of values in tabular form with separate columns to indicate the following for each item listed:
    - a. Related Specification Section.
    - b. Description of the Work.
    - c. 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 (where applicable).
  3. 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.
  4. Round amounts to nearest whole dollar; total shall equal the Contract Sum.
  5. 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.
  6. Provide separate line items in the schedule of values for initial cost of materials, for each subsequent stage of completion, and for total installed value of that part of the Work.
  7. Allowances: Provide a separate line item in the schedule of values for each allowance included on the Bid Form or on the Drawings. Show line-item value of unit-cost allowances, as a product of the unit cost, multiplied by measured quantity. Use information indicated in the Contract Documents to determine quantities.
  8. 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 direct cost of actual work-in-place may be shown either as separate line items in the schedule of values.

9. Schedule Updating: Update and resubmit the schedule of values before the next Applications for Payment when Change Orders or Construction Change Directives result in a change in the Contract Sum.
10. Minimum Required Content: Provide the following line items in the format noted:
  - a. Mobilization/Demobilization.
  - b. Temporary Facilities and Controls.
  - c. General Conditions (Submittals, Project Management, Superintendent).
  - d. Bonds.
  - e. Layout.
  - f. Construction Schedule.
  - g. Coordination Drawings.
  - h. Inspections.
  - i. Allowances.
  - j. Commissioning Consultant Coordination.
  - k. Final Cleaning.
  - l. Closeout Documents (Operation and Maintenance Manuals, Warranties, As-Built Drawings).
  - m. Demonstration and Training.
  - n. Punchlist Execution.
  - o. Individual Specification Sections organized by project phase.
    - 1) Provide multiple line items for specification sections containing multiple products.
  - p. Controls (ATC/BMS) Subcontractor shall provide line items for each of the following costs:
    - 1) Mobilization.
    - 2) Demobilization.
    - 3) Engineering.
    - 4) Programming.
    - 5) Graphics.
    - 6) Punchlist.
    - 7) Closeout Documents.
    - 8) Demolition (by Phase).
    - 9) Installation (by Phase).
    - 10) Startup (by Phase).
    - 11) Material (by Phase).
    - 12) Commissioning Support (by Phase).

**C.** Schedule of Values Review Process: Submit Schedule of Values using the following process:

1. Preliminary Outline: Submit a preliminary outline of the Schedule of Values to the Architect indicating only line items for the required content and any additional content necessary. Do not include values on the preliminary outline. Architect will not review cost values until preliminary outline is approved.
2. Schedule of Values: Submit a Schedule of Values that include costs based on the approved preliminary outline for review and approval by the Architect.

1.6 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 and paid for by Owner.

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1. Initial Application for Payment, Application for Payment at time of Substantial Completion, and final Application for Payment involve additional requirements.
  
- B. Payment Application Times: The date for each progress payment is indicated in the Agreement between Owner and Contractor. The period of construction work covered by each Application for Payment is the period indicated in the Agreement.
  1. Submit draft copy of Application for Payment as indicated in the Agreement between Owner and Contractor.
    - a. Applications for Payment received without previously being submitted as a draft copy will not be reviewed or processed.
  
- C. Application for Payment Forms: Use AIA Document G702 and AIA Document G703 as forms for Applications for Payment. No other forms will be acceptable and all language shall exactly match original AIA forms.
  
- D. Application Preparation: Complete every entry on form. Notarize and execute by a person authorized to sign legal documents on behalf of Contractor. Architect 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. Incorporate all revisions noted on the draft copy of Application for Payment as provided by the Architect, including any revisions that decrease a previously approved value. Application for Payment submitted without incorporating revisions noted by the Architect will be returned for correction. Applications for Payment received beyond the established date for submission to Architect will be held until the next month for processing. Architect reserves the right to backcharge the Contractor for their costs to review Applications for Payment submitted without incorporating revisions noted by Architect.
  3. Include amounts of Change Orders and Construction Change Directives issued before last day of construction period covered by application.
  4. Upon request of the Owner or Architect, the Contractor shall furnish proof of payment (receipt or other vouchers) showing payments for materials and labor, payments to subcontractors, manufacturers and suppliers, and such other evidence of the Contractor's right to payment as the Owner or Architect may direct.
  
- E. Stored Materials: Contractor may request payment for stored materials; however, the Owner reserves the right to deny the request. If request is granted, 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 and items stored off-site. Stock equipment or material not custom for this Project will not be considered.
  1. Request permission to bill for stored materials seven days prior to submission of draft copy of Application for Payment; otherwise, payment for stored materials will not be approved.
  2. Provide certificate of insurance, evidence of transfer of title to Owner, and consent of surety to payment, for stored materials.
  3. 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.
    - a. Mark each item to clearly note name of project and Owner.
    - b. Provide photographic evidence of the material in storage with identification exposed.
  4. 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.
5. Provide Owner's Representative access to stored material site.
- F. Transmittal: Submit three signed and notarized original copies of each Application for Payment to Architect by a method ensuring receipt by date indicated in the Agreement. 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.
  2. Application for Payment not transmitted appropriately or transmitted without incorporating revisions indicated by the Architect will be returned for resubmission.
  3. Transmittal shall be made via a trackable method. Standard USPS mail delivery without tracking is not permitted.
- G. Initial Application for Payment: Administrative actions and submittals that must precede the submittal of first Application for Payment include the approval of the following:
1. List of subcontractors.
  2. Schedule of values.
  3. Contractor's construction schedule (preliminary if not final).
  4. Products list.
  5. Submittal schedule.
  6. List of Contractor's staff assignments.
  7. List of Contractor's principal consultants.
  8. Copies of building permits.
  9. Copies of authorizations and licenses from authorities having jurisdiction for performance of the Work.
  10. Initial progress report.
  11. Certificates of insurance and insurance policies.
  12. Performance and payment bonds.
  13. Data needed to acquire Owner's insurance.
  14. Procurement letter.
- H. Application for Payment at Substantial Completion: After Architect 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 Owner occupancy of designated portions of the Work.
  3. Administrative actions and submittals that shall proceed or coincide with this application:
    - a. Occupancy permits and similar approvals.
    - b. Warranties (guarantees) and maintenance agreements.
    - c. Maintenance instructions.
    - d. Start-up performance reports.
    - e. Change-over information related to Owner's occupancy, use, operation and maintenance.
    - f. Final cleaning.

