

## 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. Document 004373 "Proposed Schedule of Values Form" for requirements for furnishing proposed schedule of values with bid.
  - 2. Document 007300 "Supplementary Conditions"
  - 3. Section 012100 "Allowances" for procedural requirements governing the handling and processing of allowances.
  - 4. Section 012200 "Unit Prices" for administrative requirements governing the use of unit prices.
  - 5. Section 012600 "Contract Modification Procedures" for administrative procedures for handling changes to the Contract.
  - 6. Section 013200 "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 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 items required to be indicated as separate activities in Contractor's construction schedule.
  - 2. Submit the schedule of values to Owner, through Architect, at earliest possible date, but no later than seven days before the date scheduled for submittal of initial Applications for Payment.

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3. Subschedules for Phased Work: Where the Work is separated into phases, provide subschedules showing values coordinated with each phase of the Work.
  4. 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. Owner's name.
    - c. Owner's Project number.
    - d. Name of Architect.
    - e. Architect's Project number.
    - f. Contractor's name and address.
    - g. Date of submittal.
  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. Round dollar amounts to whole dollars, with total equal to Contract Sum.
      - 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. Provide multiple line items for principal subcontract amounts when required to facilitate determination of amounts due for incomplete work, or as required by Architect.
  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.
  6. Unit Prices Allowances: Provide a separate line item in the schedule of values for each Unit Price with a quantity allowance included in the Agreement between Owner and Contractor. Show line-item value of unit-

- cost allowances, as a product of the unit cost, multiplied by measured quantity.
7. Alternates: Provide a separate line for each Alternate included in the Agreement between Owner and Contractor.
  8. Purchase Contracts: Provide a separate line item in the schedule of values for each Purchase contract. Show line-item value of Purchase contract. Indicate Owner payments or deposits, if any, and balance to be paid by Contractor.
  9. Temporary Facilities and Utilities: Show cost of temporary facilities and other major cost items that are not direct cost of actual work-in-place as separate line items.
  10. Closeout Costs. Include separate line items under Contractor and principal subcontracts for Project closeout requirements for the following work and in the stated amounts.
    - a. Final Inspections: The lesser of 0.5% of awarded contract amount or \$1,000.00.
    - b. Warranties: The lesser of 0.5% of awarded contract amount or \$3,000.00.
    - c. Operations and Maintenance Manuals: The lesser of 0.5% of awarded contract amount or \$2,000.00.
    - d. Start-Up Reports: The lesser of 0.5% of awarded contract amount or \$1,000.00.
    - e. Commissioning Support, if the Work is to be commissioned: The lesser of 0.5% of awarded contract amount or \$4,000.00.
    - f. As-Built project information: The lesser of 0.5% of awarded contract amount or \$3,000.00.
    - g. Attic Stock: The lesser of 0.5% of awarded contract amount or \$5,000.00.
  11. Schedule of Values Revisions: Revise the schedule of values when Change Orders or Construction Change Directives result in a change in the Contract Sum. Include at least one separate line item for each Change Order and Construction Change Directive.

#### 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 and paid for by Owner.
- B. Payment Application Times: The date for each progress payment is indicated in the Owner/Contractor Agreement. The period of construction work covered by each Application for Payment is the period indicated in the Agreement.
- C. Payment Application Times: Submit Application for Payment to Architect by the Twentieth (20<sup>TH</sup>) day of the month. The period covered by each Application for Payment is one month, ending on the Twentieth (20<sup>TH</sup>) day of the month.

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1. Submit draft copy of Application for Payment seven days prior to due date for review by Architect.
- D. Application for Payment Forms: Use AIA Document G702 and AIA Document G703 as form for Applications for Payment.
  1. Other Application for Payment forms proposed by the Contractor may be acceptable to Architect and Owner. Submit forms for approval with initial submittal of schedule of values.
- E. Application Preparation: Complete every entry on form. Notarize and execute by a person authorized to sign legal documents on behalf of Contractor. Construction Manager 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 and Construction Change Directives issued before last day of construction period covered by application.
- F. 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 and items stored off-site.
  1. For materials or equipment stored off-site:
    - a. Provide certificate of property insurance for the storage facility, showing evidence that items stored in or at the storage facility are covered against any and all causes of loss.
    - b. Evidence of transfer of title to Owner.
    - c. Consent of surety to payment for stored materials.
    - d. Provide supporting documentation that verifies amount requested, such as invoices. Match amount requested with amounts indicated on documentation; do not include overhead and profit on payment requested for stored materials.
      - 1) Overhead and profit allocated to a schedule of value line for materials will be approved for payment when the materials have been incorporated into the Work.
    - e. Provide photographs of materials stored off-site. Photographs will be used to identify materials (include photographs of model numbers and serial numbers, erection sequence numbers, and similar marks), and to verify that materials are properly stored.
    - f. Provide summary documentation for stored materials indicating the following:
      - 1) Value of materials previously stored and remaining stored as of date of previous Applications for Payment.
      - 2) 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.

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- 3) Value of materials stored since date of previous Application for Payment and remaining stored as of date of current Application for Payment.
  2. For materials stored on-site:
    - a. Provide supporting documentation that verifies amount requested, such as invoices. Match amount requested with amounts indicated on documentation; do not include overhead and profit on payment requested for stored materials.
      - 1) Overhead and profit allocated to a schedule of value line for materials will be approved for payment when the materials have been incorporated into the Work.
- G. Transmittal: Submit one signed and notarized original copy of each Application for Payment to Architect electronically. Include waivers of liens and similar attachments. Include certified payroll reports for payment period. Include consent of surety any time retainage is reduced.
  1. Transmit each copy with a transmittal form listing attachments and recording appropriate information about application.
- H. Waivers of Mechanic's Lien: With each Application for Payment, submit waivers of mechanic's lien from entities lawfully entitled to file a mechanic's lien arising out of the Contract and related to the Work covered by the payment.
  1. Submit partial waivers on each item for amount requested in previous application, after deduction for retainage, on each item.
  2. When an application shows completion of an item, submit conditional final or full waivers.
  3. Owner reserves the right to designate which entities involved in the Work must submit waivers.
  4. Submit final Application for Payment with or preceded by conditional final waivers from every entity involved with performance of the Work covered by the application who is lawfully entitled to a lien.
  5. Waiver Forms: Submit executed waivers of lien on forms acceptable to Owner.
- I. 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. Contractor's list of activities, durations, and logic for incorporation into the Construction Schedule.
  4. Products list (preliminary if not final).
  5. Submittal schedule (preliminary if not final).
  6. List of Contractor's staff assignments.
  7. List of Contractor's principal consultants.
  8. Copies of building permits.

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9. Copies of authorizations and licenses from authorities having jurisdiction for performance of the Work.
  10. Certificates of insurance and insurance policies.
  11. Performance and payment bonds.
- J. Second Application for Payment Administrative actions and submittals that must precede or coincide with submittal of first Application for Payment include the following:
1. Signed Construction Schedule Rider.
- K. 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, except for work identified on the List of Incomplete Work.
1. Include documentation supporting claim that the Work is substantially complete and a statement showing an accounting of changes to the Contract Sum.
    - a. Complete administrative actions, submittals, and Work preceding this application, as described in Section 017700 "Closeout Procedures."
  2. Submit a List of Incomplete Work.
  3. This application shall reflect Certificate(s) of Substantial Completion issued previously for Owner 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. Requirements of the Agreement Between Owner and Contractor.
  2. Requirements identified in Document 007300 "Supplementary Conditions," Article "Final Completion and Final Payment."
  3. Evidence of completion of Project closeout requirements.
  4. Certification of completion of final punch list items.
  5. Insurance certificates for products and completed operations where required and proof that taxes, fees, and similar obligations were paid.
  6. Updated final statement, accounting for final changes to the Contract Sum.
  7. AIA Document G706 Contractor's Affidavit of Payment of Debts and Claims.
  8. AIA Document G706A Contractor's Affidavit of Release of Liens.
  9. AIA Document G707 Consent of Surety to Final Payment.
  10. Evidence that claims have been settled, if requested by Owner.
  11. Final meter readings for utilities, a measured record of stored fuel, and similar data as of date of Substantial Completion or when Owner took possession of and assumed responsibility for corresponding elements of the Work.
  12. Final liquidated damages settlement statement.
  13. Proof that taxes, fees, and similar obligations are paid.

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14. Final certified payroll report, and all certified payroll reports not previously received by Owner.

PART 2 - PRODUCTS (Not Used)

PART 3 - EXECUTION (Not Used)

END OF SECTION 01 29 00

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