

SECTION 01 29 00

PAYMENT PROCEDURES

PART 1 GENERAL

1.01. RELATED DOCUMENTS

- A. Drawings and general provisions of the Contract, including General and Supplementary Conditions and other Division 1 Specification Sections, apply to this Section.

1.02. SUMMARY

- A. This Section specifies administrative and procedural requirements necessary to prepare and process progress payment and final payment under the Contract.
- B. Related Sections include the following:
 - 1. Division 1 Section "Allowances" for procedural requirements governing handling and processing of allowances.
 - 2. Division 1 Section "Change Order Procedures" for administrative procedures for handling changes to the Contract.
 - 3. Division 1 Section "Unit Prices" for administrative requirements governing use of unit prices.
 - 4. Division 1 Section "Schedule of Values" for administrative requirements governing the Schedule of Values.

1.03. 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.

1.04. QUALITY ASSURANCE

- A. Base requests for payment on the approved Schedule of Values.
 - 1. Coordination: Coordinate preparation of the Schedule of Values with preparation of Contractor's Construction Schedule.
 - a. Correlate line items in the Schedule of Values with other required administrative forms and schedules, including the following:
 - 1.) Application for Payment forms with Continuation Sheets.
 - 2.) Submittals Schedule.
 - 3.) Contractor's Construction Schedule.

1.05. APPLICATION FOR PAYMENT

A. Preparation

1. Forms: Use AIA Document G702 and AIA Document G703 Continuation Sheets as form for Applications for Payment.
2. Complete every entry on form. Notarize and execute by a person authorized to sign legal documents on behalf of Contractor. Engineer will return incomplete applications without action.
 - a. Entries shall match data on the Schedule of Values and Contractor's Construction Schedule. Use updated schedules if revisions were made.
 - b. Include amounts of Change Orders and Construction Change Directives issued before last day of construction period covered by application.
3. Frequency: 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.
 - a. Make an informal submittal of request for payment to the Engineer at the last regular job meeting of each month.
 - 1.) Revise the informal submittal of request for payment as agreed at the Progress Meeting, initialing all copies.
 - b. Make formal submittal of request for payment to the Engineer and include:
 - 1.) Construction Schedule
 - 2.) Construction Progress Meeting Minutes for each credit identified;
 - 3.) RFI Log Update
4. Waivers of Mechanic's Lien: With each Application for Payment, submit waivers of mechanic's liens from subcontractors, sub-subcontractors, and suppliers for construction period covered by the previous application.
 - a. Submit partial waivers on each item for amount requested in previous application, after deduction for retainage, on each item.
 - b. When an application shows completion of an item, submit final or full waivers.
 - c. Owner reserves the right to designate which entities involved in the Work must submit waivers.

- d. Submit final Application for Payment with or proceeded by final waivers from every entity involved with performance of the Work covered by the application that is lawfully entitled to a lien.
 - e. Waiver Forms: Submit waivers of lien on forms, executed in a manner acceptable to Owner.
- 5. Each Application for Payment shall be consistent with previous applications and payments as certified by Engineer and paid for by Owner.
 - a. Initial Application for Payment, Application for Payment at time of Substantial Completion, and final Application for Payment involve additional requirements.
- 6. Transmission: Submit four copies of the Application for Payment to Engineer.
 - a. One copy shall include waivers of lien and similar attachments if required.
 - b. Submit each copy with original signatures and notary seal on the Application and Certificates for Payment.
 - c. The Engineer will compare the formal submittal with the approved informal submittal and, when approved, will sign the Application and Certificate for Payment and will distribute:
 - 1.) One copy to Contractor
 - 2.) One copy to Engineer
 - 3.) Two copies to Owner
- B. 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 Construction Schedule (preliminary if not final).
 - 4. Products list.
 - 5. Schedule of unit prices.
 - 6. Submittals Schedule (preliminary if not final).
 - 7. List of Contractor's staff assignments.
 - 8. List of Contractor's principal consultants.
 - 9. Certificates of insurance and insurance policies.
 - 10. Performance and payment bonds.
 - 11. Data needed to acquire Owner's insurance.

- C. Application for Payment at Substantial Completion: After issuing the Certificate of Substantial Completion, submit an Application for Payment showing 100 percent completion for portion of the Work claimed as substantially complete. Include documentation supporting claim that the Work is substantially complete and a statement showing an accounting of changes to the Contract Sum. This application shall reflect Certificates of Partial Substantial Completion issued previously for Owner occupancy of designated portions of the Work.
1. Administrative actions and submittals that shall proceed or coincide with this application include:
 - a. Occupancy permits and similar approvals.
 - b. Warranties (guarantees) and maintenance agreements.
 - c. Test/adjust/balance records.
 - d. Maintenance instructions.
 - e. Start-up performance reports.
 - f. Change-over information related to Owner's occupancy, use operation and maintenance.
 - g. Final cleaning.
 - h. Application for reduction of retainage, and consent of surety.
 - i. Advice on shifting insurance coverage's.
 - j. Punch list of incomplete Work, recognized as exception to Engineer's Certificate of Substantial Completion (area by area).
 - k. Change of door locks to Owner's access keys.
- D. Final Payment Application: Submit final Application for Payment with releases and supporting documentation not previously submitted and accepted, including, but not limited, to the following:
1. Evidence of completion of Project closeout requirements.
 2. Insurance certificates for products and completed operations where required and proof that taxes, fees, and similar obligations were paid.
 3. Updated final statement, accounting for final changes to the Contract Sum.
 4. AIA Document G706, "Contractor's Affidavit of Payment of Debts and Claims."
 5. AIA Document G706A, "Contractor's Affidavit of Release of Liens."
 6. AIA Document G707, "Consent of Surety to Final Payment."
 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 Owner took possession of and assumed responsibility for corresponding elements of the Work.
9. Final, liquidated damages settlement statement.
10. Transmittal of required Project construction records to Owner including record documents (Six copies required).

PART 2 PRODUCTS - NOT USED

PART 3 EXECUTION - NOT USED

END OF SECTION