

## SECTION 012900 - 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. This Section specifies administrative and procedural requirements necessary to prepare and process Applications for Payment.
- B. Related Sections:
  - 1. Division 01 Section "Allowances" for procedural requirements governing the handling and processing of allowances.
  - 2. Division 01 Section "Contract Modification Procedures" for administrative procedures for handling changes to the Contract.
  - 3. Division 01 Section "Construction Progress Documentation" for administrative requirements governing the preparation and submittal of the Contractor's construction schedule.
  - 4. Division 01 Section "Submittal Procedures" for administrative requirements governing the preparation and submittal of the submittal 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. Correlate 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. Contractor's Construction Schedule.

2. Submit the schedule of values to Architect at earliest possible date but no later than thirty (30) days before the date scheduled for submittal of initial Applications for Payment.
  3. Subschedules for Phased Work: Where the Work is separated into phases requiring separately phased payments, provide subschedules showing values correlated with each phase of payment.
  4. Subschedules for Separate Elements of Work: Where the Contractor's construction schedule defines separate elements of the Work, provide subschedules showing values correlated with each element.
- B. Format and Content: Use the 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. Contractor's name and address.
    - e. 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 and Percentage of the Contract Sum to nearest one-hundredth percent, adjusted to total 100 percent.
  4. Provide a breakdown of the Contract Sum in enough detail to facilitate continued evaluation of Applications for Payment and progress reports. Coordinate with the Project Manual table of contents. Provide multiple line items for principal subcontract amounts as appropriate.
  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 and only in the event that stored materials are eligible for payment by the Owner/Contractor Agreement.
    - a. Differentiate between items stored on-site and items stored off-site. For items stored off-site, include evidence of insurance, bill of sale and contractor/supplier affidavit in form acceptable to Architect.
  7. 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.

8. Allowances: Provide a separate line item in the schedule of values for each allowance. 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.
9. 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 or distributed as general overhead expense, at Contractor's option.
10. Schedule Updating: Update and resubmit the schedule of values before the next Application for Payment when Change Orders or Construction Change Directives result in a change in the Contract Sum.

#### 1.5 APPLICATIONS FOR PAYMENT

- A. Each Application for Payment shall be consistent with previous applications and payments as certified by Architect and paid for by Owner.
  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 seven (7) days prior to due date for review by Architect.
- C. Application for Payment Forms: Use AIA Document G702 and AIA Document G703 as form for Applications for Payment.
  1. Architects Certificate for Payment: The Architects Certificate for Payment section of AIA Document G702 is deleted and replaced with the following:

#### **ARCHITECTS REVIEW OF APPLICATION FOR PAYMENT**

**In accordance with the Contract Documents, based on on-site observations and data comprising this application, the Architect confirms to the Owner that to the best of the Architect's knowledge, information and belief the work has progressed as indicated and the Contractor is entitled to payment of the amount requested.**

**Amount:** \_\_\_\_\_ **\$** \_\_\_\_\_

**Architect:** \_\_\_\_\_

**By:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**The AMOUNT noted above is payable only to the Contractor named herein. Issuance, payment and acceptance are without prejudice to any rights of the Owner or Contractor under this Contract.**

**Owner:** \_\_\_\_\_

**By:** \_\_\_\_\_ **Date:** \_\_\_\_\_

2. Signature of acceptance by Owner is required to accept and authorize payment to Contractor.
- 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. Provide 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.
- E. Transmittal: Submit three (3) signed and notarized original copies of each Application for Payment to Architect 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.
- F. 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 and final waivers.
  3. Owner reserves the right to designate which entities involved in the Work must submit waivers.
  4. Waiver Forms: Submit waivers of lien on forms, executed in a manner acceptable to Owner.
- G. 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 (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.
  9. Copies of authorizations and licenses from authorities having jurisdiction for performance of the Work.
  10. Initial progress report.
  11. Report of preconstruction conference.
  12. Certificates of insurance and insurance policies.
  13. Performance and payment bonds.
  14. Data needed to acquire Owner's insurance.
- H. Application for Payment at Substantial Completion: After issuance of Certificate of Substantial Completion, submit a Contractor's 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 Certificates of Partial Substantial Completion issued previously for Owner occupancy of designated portions of the Work.
  3. Include documentation supporting Contractor's request for any reduction in retainage amounts.
- I. 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. AIA Document G707A, "Consent of Surety to Reduction in or Partial Release of Retainage."
  8. Evidence that all claims have been settled.
  9. 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.
  10. Final liquidated damages settlement statement.

THE ROBERT  
FT. MYERS, FL.  
FK PROJECT No. 5592

ISSUE DATE: 02/28/2020  
PERMIT REVIEW SET

PART 2 - PRODUCTS (Not Used)

PART 3 - EXECUTION (Not Used)

END OF SECTION 012900