

DIVISION 1 - GENERAL REQUIREMENTS

SECTION 01027 - APPLICATIONS FOR PAYMENT

I. GENERAL

A. STIPULATIONS

The section "Special Requirements" forms a part of this section by this reference thereto and shall have the same force and effect as if printed herewith in full.

B. RELATED DOCUMENTS

The Contract Drawings and the Standard Form of Agreement apply to this Section.

C. SUMMARY

This Section specifies administrative and procedural requirements governing each Prime Contractor's applications for payment.

1. Coordinate the Schedule of Values and Applications for Payment with the Contractor's Construction Schedule and List of Subcontracts.
2. The Contractor shall submit the required form in accordance with the applicable administrative procedures to be issued by the System at the pre-construction conference.

D. SCHEDULE OF VALUES

1. Each Prime Contractor shall coordinate preparation of its Schedule of Values for its part of the work with preparation of the Contractor's Construction Schedule.
 - a. Correlate line items in the Schedule of Values with other required administrative schedules and forms, including:
 - (1) Contractor's Construction Schedule
 - (2) Application for Payment Form
 - (3) List of Subcontractors, Principal Suppliers, and Fabricators:
Identify as MBE\WBE subcontractors any subcontractors or suppliers that were used on the bid proposal form to meet the REAA Dollar amount
 - (4) Schedule of Allowances
 - (5) List of Products
 - (6) Schedule of Submittals
 - b. Submit the Schedule of Values to the Professional at the earliest feasible date, but in no case later than 7 days before the date schedule for submittal of the initial Application for Payment. The Contractor shall use the Schedule of Values form for the purpose of providing a project cost breakdown. Once approved by the System Project Manager, it shall be used as the Schedule of Values for the Application for Payment.
 - c. Mobilization
 - (1) The contractor may include 1.5% of the contract award as itemized costs not-to-exceed \$90,000 for mobilization costs for contracts up to \$6,000,000. On contracts exceeding \$6,000,000 mobilization costs in excess of \$90,000 will be determined by negotiation with the System before submission of the cost breakdown. The contractor will be required to submit specific items and costs for evaluation by the System. The System's decision will be final.

- (2) Mobilization costs applicable to this project shall be listed on the Schedule of Values form, as follows:

Contractor's Field Office
Inspector's Field Office (unless otherwise specified)
Heating, Lighting, & Telephone Installation for the Offices
Bonds
Installation of Signs
Site Survey
Building Permits
Fence, If Required
Sidewalk shelter, where required
Safety and First Aid Equipment
Temporary Power Set-Up, Power Distribution, Water

2. Format and Content: Use the Project Manual Table of Contents as a guide to establish the items for the Schedule of Values. Use the format in this Section.

- a. Arrange the Schedule of Values in a tabular form, as shown on the Schedule of Values, with separate columns to indicate the following for each item listed.

- (1) Generic Name
- (2) Related Specification Section
- (3) Name of Subcontractor, Name of Manufacturer or Fabricator Supplier
- (4) Change Orders (numbers) that have affected Value
- (5) Dollar Value
- (6) Percentage of Contract Sum to the nearest one-hundredth percent, adjusted to total 100 percent.

- b. Provide a breakdown of the Contract Sum in sufficient detail to facilitate continued evaluation of Applications for Payment and Progress Reports. Break principal subcontract amounts down into several line items.

- c. Round amounts off to the nearest whole dollar; the total shall equal the Contract Sum.

- d. Margins of Cost: Show line items for indirect costs, and margins on actual costs, only to the extent that such items will be listed individually in Applications for Payment. Each item in the Schedule of Values and Applications for Payment shall be complete including its total cost and proportionate share of general overhead and profit margin.

At the Contractor's option, temporary facilities and other major cost items that are not direct cost of actual work-in-place may be shown as separate line items in the Schedule of Values or distributed as general overhead expense.

- e. Update and resubmit the Schedule of Values when Change Orders or Construction Change Directives result in a change in the Contract Sum.

E. APPLICATIONS FOR PAYMENT

1. Each Application for Payment shall be consistent with previous applications and payments as certified by the Professional and paid for by the Owner. 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.
2. Payment Application Times: Each progress payment date is as indicated in the Pre-Construction meeting. The period of construction work covered by each application or payment is the period indicated in the Agreement.
3. Payment Application Forms: The Application and Certificate for Payment form, AIA Document G702 and G703 will be used.
4. 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.
 - a. Entries shall match data on the Schedule of Values and Contractor's Construction Schedule. Use updated schedules if revisions have been made.
 - b. 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.
 - c. 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 System. 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.
5. Transmittal: Submit three (3) executed copies of each Application for Payment to the Professional by means ensuring receipt within 24 hours. Transmit each copy with a transmittal form listing attachments, and recording appropriate information related to the application in a manner acceptable to the Professional.

F. INITIAL APPLICATION FOR PAYMENT

Administrative actions and submittals that must precede or coincide with submittal of the first Application for Payment include the following:

1. List of Subcontractors
2. List of Principal Suppliers, Fabricators
3. Schedule of Products
4. Approved Schedule of Values
5. Contractor's Construction Schedule (preliminary, if not final)
6. Schedule of Unit Prices
7. List of Contractor's Staff Assignments
8. Copies of Building Permits
9. Copies of Authorizations and Licenses from Governing Authorities for Performance of the Work (if required)

G. PAYMENT FOR STORED MATERIALS

The System 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 which 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 System, in writing, that the materials and/or equipment are critical to the Project. This shall be accomplished using the System's Permission to Store Materials Form.
2. Payment shall be conditioned upon submission by the contractor of Bills-of-Sale Forms (provided by the System) to establish the System'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 System's Bill-of-Sale Form.

H. APPLICATION FOR PAYMENT AT SUBSTANTIAL COMPLETION

Requirements for substantial completion are found in Section 01700-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 Owner 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 System as such.
2. For those items that are not 100 percent completion, provide a schedule to complete the incomplete work items and a cost estimate to complete each item, as identified on the professionals punch list of uncompleted work items attached to the certificate of substantial completion.
3. Submit evidence (revised Certificate of Insurance) of continuing insurance coverage for those uncompleted work items, complying with insurance requirements in the contract documents.
4. Consent of Surety for Reduction of Retainage (AIA form G707A)
5. Submit a final liquidated damages settlement statement (if applicable).

I. FINAL PAYMENT

Requirements for final completion are found in Section 01700-Project Closeout. Following issuance of the Certificate of Final Completion, submit an Application for Final Payment. Administrative actions and submittals which must precede or coincide with submittal of the application for payment for final payment include the following:

1. Provide the Consent of Surety to Final Payment (AIA G707)
2. Proof That Taxes, Fees and Similar Obligations Have Been Paid

II. PRODUCTS (Not Applicable)

III. EXECUTION (Not Applicable)

SCHEDULE OF VALUES

_____ UNIVERSITY

ARCHITECT NAME:	CONTRACTOR'S NAME:	PROJECT NUMBER:
ADDRESS:	ADDRESS:	DESCRIPTION:
APPROVED: Signature	TELEPHONE NO.	
DATE:	TYPE OF CONTRACT:	

ITEM NUMBER	ITEM DESCRIPTION	NUMBER AND KIND OF UNIT	COST PER UNIT	MATERIAL COST	LABOR AND OTHER COST	EXTENDED PRICE

I (we) hereby certify that the above is a true and correct breakdown including all materials, accessories, labor, insurance, etc., per contract requirements.

Signature of Authorized Representative
Title _____

_____ (Contractor)
Date