SECTION 01 2900 - PAYMENT PROCEDURES

PART 1 - GENERAL

1.1 SUMMARY

A. Section includes administrative and procedural requirements necessary to prepare and process Applications for Payment.

1.2 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.

1.3 SCHEDULE OF VALUES

A. Coordination: Coordinate preparation of the schedule of values with preparation of Contractor's construction schedule. [Cost-loaded Critical Path Method Schedule may serve to satisfy requirements for the schedule of values.]

1. Coordinate line items in the schedule of values with items required to be indicated as separate activities in Contractor's construction schedule.

**Designer Note:** Coordinate submittal of schedule of values with General Conditions of Contract for Construction, Section 8.00. As of the date of the publication of these guidelines, the schedule of values must be submitted within 15 calendar days after the date of commencement of Work given in the Notice to Proceed.

2. Submit the schedule of values to Architect [through Construction Manager] at earliest possible date, but no later than [seven] <Insert number> 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 coordinated 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 coordinated with each element.

5. Subschedules for Separate Design Contracts: Where the Owner has retained design professionals under separate contracts who will each provide certification of payment requests, provide subschedules showing values coordinated with the scope of each design services contract, as described in Section 01 1000 "Summary."
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. Name of Architect.
   c. Architect's Project number.
   d. WMU Project number.
   e. Contractor's name and address.
   f. Date of submittal.


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 in excess of [five] <Insert number> percent of 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.

6. 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.

7. 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.

8. Overhead Costs: Include total cost and proportionate share of general overhead and profit for each line item.

9. Overhead Costs: 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 in an amount totaling [five] \(<\text{Insert number}>\) percent of the Contract Sum and subcontract amount.

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.

1.4 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 Construction Manager] and paid for by Owner.

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<th>Designer Note: Coordinate Payment Application times with General Conditions of Contract for Construction, Section 8.00. As of the date of publication of these guidelines, payment requests shall be submitted on the 20(^{\text{th}}) of the month. WMU prefers that the period covered be one month, ending on the same date each month.</th>
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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.

C. Payment Application Times: Submit Application for Payment to Architect by the \(<\text{Insert day}>\) of the month. The period covered by each Application for Payment is one month, ending on the \([\text{last day of the month}] <\text{Insert specific day of the month}>\).

1. Submit draft copy of Application for Payment \([\text{seven}] <\text{Insert number}>\) days prior to due date for review by Architect.


1. Other Application for Payment forms proposed by the Contractor shall be acceptable to [Architect] [Construction Manager] 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. [Architect] [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.
4. Indicate separate amounts for work being carried out under Owner-requested project acceleration.
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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. Provide certificate of insurance, evidence of transfer of title to Owner, and consent of surety to payment for stored materials.

**Designer Note:** Refer to *Supplementary General Conditions of Contract*, Section 8.00, for additional requirements around payment for off-site materials. As of the date of publication of these guidelines, WMU requires that payment requests be accompanied by paid invoices or bills of sale.

2. Provide supporting documentation that verifies amount requested, such as paid invoices or bills of sale. Match amount requested with amounts indicated on documentation; do not include overhead and profit on stored materials.

3. 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.

G. Transmittal: Submit [three] <Insert number> one signed and notarized original copy of each Application for Payment to [Architect] [Construction Manager] in PDF electronic format by a method ensuring receipt [within 24 hours]. 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.

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] [subcontractors, sub-subcontractors, and suppliers for construction period covered by the previous application].

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 construction schedule (preliminary if not final).
4. Combined Contractor’s construction schedule (preliminary if not final) incorporating Work of multiple contracts, with indication of acceptance of schedule by each Contractor.
5. Products list (preliminary if not final).
6. Sustainable design action plans, including preliminary project materials cost data.
7. Schedule of unit prices.
8. Submittal schedule (preliminary if not final).
9. List of Contractor's staff assignments.
10. List of Contractor's principal consultants.
13. Initial progress report.
15. Certificates of insurance and insurance policies.
17. Data needed to acquire Owner's insurance.

J. 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.

K. 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. Evidence of completion of Project closeout requirements as outlined in Section 01 7700 CLOSEOUT PROCEDURES.
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.
5. AIA Document G706A.
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.
10. Issuance of Final Payment shall be conditional on certification of Substantial Completion, certification of Punchlist completion and written acceptance of closeout documents by the Design Professional and the University.

PART 2 - PRODUCTS (Not Used)

PART 3 - EXECUTION (Not Used)

END OF SECTION 01 2900