

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 Specifications 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 include the following:
 - 1. Division 01 Section 012600 for administrative procedures for handling changes to the Contract.
 - 2. Division 01 Section 013200 for administrative requirements governing preparation and submittal of Contractor's Construction Schedule and Submittal Schedule.
 - 3. Division 00 Section 007000 – University of North Texas System Uniform General Conditions and Supplementary General Conditions 2019, Amended.

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 Application for Payment. The Schedule of Values is a form provided by Owner to Contractor

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 form 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 seven calendar days before the date scheduled for submittal of initial Application for Payment.
 - 3. Sub schedules: Where the Work is separated into phases requiring separately phased payments, provide sub-schedules indicating values correlated with each phase of payment.
- 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. The Schedule of Values is formatted using CSI Divisions. (see form instructions)
 - 3. Draft Submittals: Submit in same format as final payment application
 - 4. Arrange the Schedule of Values in tabular form with separate sections to indicate the following for each item listed:
 - a. Related Specification Section or Division
 - b. Change Orders (numbers) that affect value
 - c. Dollar value

- 1) Percentage of the Contract Sum to nearest one-tenth percent adjusted to total 100 percent.
5. Provide a breakdown of the Contract Sum in enough detail to facilitate continued evaluation of Applications for Payment and progress reports. Owner/Architect will review Contractor's Schedule of Values and approve upon receipt of sufficient detail as deemed satisfactory to Owner/Architect.
 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.
 - a. Differentiate between items stored on-site and items stored off-site. Include evidence of insurance and storage in bonded warehousing for materials stored off-site.
 - b. For major items provide separate line items for materials and labor based on CSI Master Format Division. Major items include but not limited to:
 - Division 01 - General Requirements
 - Division 02 - Existing Conditions
 - Division 03 - Concrete
 - Division 04 - Masonry
 - Division 05 - Metals
 - Division 06 - Wood, Plastics, Composites
 - Division 07 - Thermal and Moisture Protection
 - Division 08 - Openings
 - Division 09 - Finishes
 - Division 10 - Specialties
 - Division 11 - Equipment
 - Division 12 - Furnishings
 - Division 13 - Special Construction
 - Division 14 - Conveying Equipment
 - Division 21 - Fire Suppression
 - Division 22 - Plumbing
 - Division 23 - Heating, Ventilating, and Air Conditioning (HVAC)
 - Division 25 - Integrated Automation
 - Division 26 - Electrical
 - Division 27 - Communications
 - Division 28 - Electronic Safety and Security
 - Division 31 - Earthwork
 - Division 32 - Exterior Improvements
 - Division 33 - Utilities
 - Division 34 - Transportation
 - Division 35 - Waterway and Marine Construction
 - Division 40 - Process Integration
 - Division 41 - Material Processing and Handling Equipment
 - Division 42 - Process Heating, Cooling, and Drying Equipment
 - Division 43 - Process Gas and Liquid Handling, Purification and Storage Equipment
 - Division 44 - Pollution and Waste Control Equipment
 - Division 45 - Industry-Specific Manufacturing Equipment
 - Division 46 - Water and Wastewater Equipment
 - Division 48 - Electrical Power Generation

7. Each item in the Schedule of Values and Applications for Payment shall be complete. Include total cost.
8. In addition to line item costs of Sections in Division 02 thru 39, furnish line item costs for each item of the following general administrative and procedural cost items.
 - a. Bonds
 - b. Insurance
 - c. Mobilization
 - d. Field Superintendence
 - e. Temporary Facilities
 - f. Trench Safety
 - g. Clean-up and Disposal
 - h. Project Close Out
 - i. Final Cleaning
 - j. Demobilization
 - k. Overhead and General Conditions
 - l. Contractor's Fee
9. Plumbing, HVAC, Electrical and Life Safety work shall be broken down in accordance with the following subcategories as a minimum:
 - a. Fire Protection:
 - b. Plumbing:
 - c. Heating, Ventilating and Air Conditioning (HVAC):
 - d. Electrical:
 - e. Fire Detection and Alarm:
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. Electronically deliver in a format approved by Owner after the Design Professional has certified the Payment Application. Payment processing will start as soon as we receive and date stamp the payment. In return the Contractor will be given a receipt that will be initialed and a photocopy will be provided to the Contractor.
- B. 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.
- C. Payment Application Times: Progress payment is due once a month.
- D. Payment Application Forms: Use Application for Payment form to be furnished by Owner.
- E. Application Preparation: Complete every entry on form. Application to be Notarized by a Notary and executed 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. Use updated schedules if revisions were made.
 2. Include amounts of Change Order issued before the last day of construction period covered by application.
 3. Include supporting documentation including subcontractor and supplier invoices.
- F. Transmittal: Prepare one copy with original signatures and original notary of each Application for Payment by a method ensuring receipt within 24-hours. The copy shall include waivers of lien, schedule updates, contractor's executive summary and similar attachments.
 1. Transmit each package with a transmittal form listing attachments and recording appropriate information about application including subcontractor supplemental documentation and required general conditions documents.

- G. Waivers of Mechanic's Lien: With each Application for Payment, submit waivers of mechanic's lien from subcontractors, sub-subcontractors and suppliers for construction period covered by the previous application.
1. Submit partial lien waivers on each item for amount requested in previous applications after deduction for retainage of each item.
 2. When an application shows completion of an item submit final or full lien waivers.
 3. Owner reserves the right to designate which entities involved in the Work must submit lien waivers.
 4. Submit final Application for Payment with, or proceeded by, final lien waivers from every entity involved with performance of the Work covered by the application that is lawfully entitled to a lien.
 5. Waiver Forms: Submit waivers of lien on forms executed in a manner acceptable to Owner.
- H. Initial Application for Payment: Administrative actions and submittals that must precede or coincide with submittal of first Application for Payment.
1. Include the following:
 - a. List of subcontractors
 - b. Schedule of Values
 - c. Contractor's Construction Schedule (preliminary if not final)
 - d. Products list
 - e. Submittal Schedule (preliminary if not final)
 - f. List of Contractor's staff assignments
 - g. List of Contractor's principal consultants
 - h. Initial progress report
 - i. Report of preconstruction conference
 - j. Certificates of insurance and insurance policies
 - k. Performance and payment bonds
 - l. Data needed to acquire Owner's insurance
- I. 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.
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.
- J. Final Payment Application: Submit Final Application for Payment within thirty (30) days of Substantial Completion along 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 certificate for products and completed operations where required and proof 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
- K. Electronic Fund Transfer (EFT): Vendors are encouraged to utilize EFT for the distribution of all future payments. To sign up for EFT, complete the EFT Agreement (Supplier) at, https://www.untsystem.edu/sites/default/files/forms/procurement/supplier_eft_form_revised.pdf. Once established, all future payments will be made by EFT. When an EFT payment is made, an email will be sent to the email address you specify on the EFT agreement form. If you have any questions, please contact the Business Service Center at bsc@untsystem.edu or 940-369-5500.

PART 2 – PRODUCTS (Not Used)

PART 3 – EXECUTION (Not Used)

END OF SECTION