

SECTION 01027 - APPLICATIONS FOR PAYMENT

PART 1 – GENERAL

1.01 RELATED DOCUMENTS

- A. Drawings and General Provisions of the Contract, including General and Supplementary Conditions and Division 1 Specification Sections, and Walgreens Criteria Specifications apply to this Section.

1.02 SUMMARY

- A. This Section specifies administrative and procedural requirements governing the Contractor's Applications for Payment.

1.03 SCHEDULE OF VALUES

- A. Coordination: Coordinate preparation of the Schedule of Values with preparation of the Contractor's Construction Schedule.
 - 1. Correlate line items in the Schedule of Values with other required administrative schedules and forms, including:
 - a. Contractor's Construction Schedule.
 - b. Application for Payment forms, including Continuation Sheets.
 - c. List of subcontractors.
 - 2. Submit the Schedule of Values to the Owner/Architect at the earliest possible date but no later than 7 days before the date scheduled for submittal of the initial Applications for Payment.
- B. Format and Content: Use the Project Manual table of contents as a guide to establish the format 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 the Owner/Architect
 - c. Project number.
 - d. Contractor's name and address.
 - e. Date of submittal
 - 2. 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 Work.
 - c. Change Orders (numbers) that affect value.
 - d. Dollar value.
 - 1) Percentage of Contract Sum to nearest one-hundredth percent, adjusted to total 100 percent.

3. Provide a breakdown of the Contract Sum in sufficient detail to facilitate continued evaluation of Applications for Payment and progress reports. Coordinate with the Project Manual table of contents. Break principal subcontract amounts down into several line items.
4. Round amounts to nearest whole dollar; the total shall equal 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. Include requirements for insurance and bonded warehousing, if required.
 - b. 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 the Contractor's option.
6. Schedule Updating: Update and resubmit the Schedule of Values prior to the next Applications for Payment when Change Orders or Construction Change Directives result in a change in the Contract Sum.

1.04 APPLICATIONS FOR PAYMENT

- A. Each Application for Payment shall be consistent with previous applications and payments as certified by the Owner/Architect and paid for by the Owner.
 1. The initial Application for Payment, the Application for Payment at time of Substantial Completion, and the final Application for Payment involve additional requirements.
- B. Payment-Application Times: Each progress-payment date is indicated in the Agreement. The period of construction Work covered by each Application for Payment is the period indicated in the Agreement. If not indicated in the Agreement the progress-payment date shall be as agreed to by the Owner.
- C. Payment-Application Forms: Use AIA Document G702 and Continuation Sheets G703 as the form for Applications for Payment.
- D. Application Preparation: Complete every entry on the form. Include notarization and execution by a person authorized to sign legal documents on behalf of the Contractor.

The Owner/Architect will return incomplete applications without action.

 1. Entries shall match data on the Schedule of Values and the Contractor's Construction Schedule. Use updated schedules if revisions were made.
 2. Include amounts of Change Orders and Construction Change Directives issued prior to the last day of the construction period covered by the application.
- E. Transmittal: Submit 3 signed and notarized original copies of each Application for Payment to the Owner/Architect by a method ensuring receipt within 24

hours. One copy shall be complete, including waivers of lien and similar attachments, when required.

1. Transmit each copy with a transmittal form listing attachments and recording appropriate information related to the application, in a manner acceptable to the Owner/Architect.

F. Waivers of Mechanics Lien: With each Application for Payment, submit waivers of mechanics lien from every entity who is lawfully entitled to file a mechanics lien arising out of the Contract and related to the Work covered by the payment and as directed by the Owner/Architect.

1. Submit partial waivers on each item for the amount requested, prior to deduction for retainage, on each item.
2. When an application shows completion of an item, submit final or full waivers.
3. The Owner/Architect reserves the right to designate which entities involved in the Work must submit waivers.
4. Waiver Forms: Submit waivers of lien on forms, and executed in a manner acceptable to the Owner/Architect.

G. 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. Schedule of Values.
3. Contractor's Construction Schedule (preliminary if not final).
4. Submittal Schedule (preliminary if not final).
5. List of Contractor's staff assignments.
6. List of Contractor's principal consultants.
7. Copies of building permits.
8. Copies of authorizations and licenses from governing authorities for performance of the Work.
9. Report of preconstruction meeting.
10. Certificates of insurance and insurance policies.
11. Performance and payment bonds as required.
12. Data needed to acquire the Owner's insurance.

H. Application for Payment at Substantial Completion: Following issuance of the Certificate of Substantial Completion, submit an Application for Payment.

1. This application shall reflect Certificates of Partial Substantial Completion issued previously for Owner occupancy of designated portions of the Work.
2. Administrative actions and submittals that shall precede 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. Meter readings.
 - f. Startup performance reports.
 - g. Changeover information related to Owner's occupancy, use, operation, and maintenance.
 - h. Final cleaning.

- i. Application for reduction of retainage and consent of surety.
 - j. Advice on shifting insurance coverages.
 - k. Final progress photographs.
 - l. List of incomplete Work, recognized as exceptions to Architect's Certificate of Substantial Completion.
 - m. Additional items as required by Walgreens. See Walgreens Criteria Specifications.
- l. Final Payment Application: Administrative actions and submittals that must precede or coincide with submittal of the final Application for Payment include the following:
- 1. Completion of Project closeout requirements.
 - 2. Completion of items specified for completion after Substantial Completion.
 - 3. Ensure that unsettled claims will be settled.
 - 4. Ensure that incomplete Work is not accepted and will be completed without undue delay.
 - 5. Transmittal of required Project construction records to the Owner.
 - 6. Certified property survey.
 - 7. Proof that taxes, fees, and similar obligations were paid.
 - 8. Removal of temporary facilities and services.
 - 9. Removal of surplus materials, rubbish, and similar elements.
 - 10. Change of door locks to Owner's access.
 - 11. Additional items as required by Walgreens. See Walgreens Criteria Specifications.

PART 2 – PRODUCTS (Not Applicable)

PART 3 – EXECUTION (Not Applicable)

END OF SECTION 01027