

SECTION 01027

APPLICATIONS FOR PAYMENT

PART 1 - GENERAL

1.01 SUMMARY

- A. This Section specifies administrative and procedural requirements governing the Contractor's Applications for Payment.
 - 1. Coordinate the Schedule of Values and Applications for Payment with the Contractor's Construction Schedule, List of Subcontracts, and Submittal Schedule.
- B. The Contractor's Construction Schedule and Submittal Schedule are included in Section 01340 - Submittals

1.02 RELATED REQUIREMENTS

- A. Drawings and general provisions of the Contract, including General and Supplementary Conditions and other Division 1 Specification Sections, apply to this Section.
- B. Check other Division One Sections for sections related to project closeout.

1.3 SCHEDULE OF VALUES

- A. Coordinate preparation of the Schedule of Values with preparation of the Contractor's Construction Schedule.
- B. Each Subcontractor shall coordinate preparation of their Schedule of Values for inclusion into the Contractors' Construction Schedule.
 - 1. The line items shall be broken down in a manner such that all distinct phases of work are adequately broken down and defined.
 - 2. Each line item on the initial submittal shall have listed a breakdown of the work scope associated with that item. This breakdown will be the basis for analysis at the time of each pay application request. In case of omission or ambiguity, the architect's judgment will govern.
 - 3. Sub-Schedules: Where the Work is separated into phases that require separately phased payments, provide sub-schedules showing values correlated with each phase of payment.

- C. Format and Content: Use the Project Schedule as a guide to establish the format for the Schedule of Values.
1. Identification: Include the following Project identification on the Schedule of Values:
 - a. Project name and location.
 - b. Name of the Architect.
 - c. Project number.
 - d. Contractor's name and address.
 - e. Date of submittal.
 2. Round amounts off to the nearest whole dollar; the total shall equal the Contract Sum.
 3. Payment for materials stored off-site will not normally be made. Under exceptional circumstances payment will be made, contingent on receipt of the following: a) an insurance binder covering the stored material is submitted with the owner listed as an additional insured, and, b) a lien waiver/bill of sale, contingent upon receipt of the requested amount, is provided granting ownership of the stored materials to the owner .
 4. On lump sum projects, the overhead and profit shall be proportionally distributed among all line items except other overhead items. On cost plus type of work where the fee is negotiated or otherwise known, provide the profit as a separate line item. Itemize indirect costs for architect's approval.
 5. Schedule Updating: Update and resubmit the Schedule of Values when Change Orders or Construction Change Directives result in a change in the Contract Sum. Change Orders can be inserted as line items with architect's approval.

1.4 APPLICATIONS FOR PAYMENT:

- A. Each Application for Payment shall be consistent with previous applications and payments as certified by the Architect and paid for by the Owner.
- B. Payment Application Times: Each progress payment date is as indicated in the Agreement. The period of construction Work covered by each Application or Payment is the period indicated in the Agreement.
- C. Payment Application Forms: Use AIA Document G 702 and Continuation Sheets G 703 as the form for Application for Payment unless noted otherwise in the agreement.
- D. Application Preparation: Complete every entry on the form, including notarization and execution by person authorized to sign legal documents on

behalf of the Owner. Incomplete applications will be returned without action.

1. Entries shall match data on the Schedule of Values and Contractor's Construction Schedule. Use updated schedules if revisions have been 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 executed copies of each Application for Payment to the Architect by means ensuring receipt within 24 hours; one copy shall be complete with original waivers of lien and similar attachments, if 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 Architect.
- F. Waivers of Mechanics Lien: With each Application for Payment submit waivers of mechanics liens from subcontractors and suppliers for the construction period covered by the previous application. Provide a waiver of lien from the General Contractor for the payment being received.
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 reserves the right to designate which entities involved in the Work must submit waivers.
 4. Waiver Forms: Submit waivers of lien on forms acceptable to Owner.
- 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. List of principal suppliers and fabricators.
 3. Schedule of Values.
 4. Contractor's Construction Schedule (preliminary if not final).
 5. List of long-lead items and applicable timeframes.
 6. Submittal Schedule (preliminary if not final).
 7. List of Contractor's staff assignments.
 8. List of Contractor's principal consultants.
 9. Copies of building and related permits

10. Copies of authorizations and licenses from governing authorities for performance of the Work.
 11. Initial progress report.
 12. Report of pre-construction meeting.
 13. Certificates of insurance and insurance policies.
 14. Performance and payment bonds (if required).
 15. Data needed to acquire Owner's insurance.
 16. Initial settlement survey and damage report, if required.
- H. Application for Payment at Substantial Completion: Following issuance of the Certificate of Substantial Completion, submit an Application for Payment; this application shall reflect any Certificates of Partial Substantial Completion issued previously for Owner occupancy of designated portions of the Work.
- I. Administrative actions and submittals that shall proceed or coincide with this application include:
1. Occupancy permits and similar approvals.
 2. Warranties (guarantees) and maintenance agreements.
 3. Test/adjust/balance records.
 4. Maintenance instructions.
 5. Meter readings
 6. Start-up performance reports.
 7. Change-over information related to Owner's occupancy, use, operation and maintenance.
 8. Final cleaning.
 9. Application for reduction of retainage, and consent of surety.
 10. Advice on shifting insurance coverages.
 11. Final progress photographs.
 12. List of incomplete Work, recognized as exceptions to Architect's Certificate of Substantial Completion.
- J. Final Payment Application: Administrative actions and submittals that must precede or coincide with submittal of the final payment Application for Payment include the following:
1. Completion of Project closeout requirements.
 2. Completion of items specified for completion after Substantial Completion.
 3. Assurance that unsettled claims will be settled.
 4. Assurance that Work not complete and accepted will be completed without undue delay.
 5. Transmittal of required Project construction records to Owner.

6. Certified property survey.
7. Proof that taxes, fees and similar obligations have been 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.

1.05 SUBMITTALS

- A. Submit proposed schedule of values, including the scope of the breakdown items, at the time of the initial startup meeting. In no case should the proposed schedule of values be submitted later than 15 days before the date scheduled for the initial submittal.
- B. Provide backup or substantiating information if requested by Architect to clarify or substantiate the various line items.

PART 2 - PRODUCTS (Not Applicable)

PART 3 - EXECUTION (Not Applicable)

END OF SECTION 01027