

## SECTION 01027

### APPLICATIONS FOR PAYMENT

#### PART 1 - GENERAL

##### 1.01 SECTION INCLUDES

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

##### 1.02 RELATED SECTIONS

- A. Section 01300 - Submittals: The Contractor's Construction Schedule.

##### 1.03 SCHEDULE OF VALUES

- A. Coordination: Each subcontractor shall coordinate preparation of its Schedule of Values for its part of the Work with preparation of the Contractors' 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.
    - d. Schedule of submittals.
  - 2. Submit the Schedule of Values to the Architect at the earliest possible date but no later than 7 days before the date scheduled for submittal of the initial Applications for Payment.
  - 3. Subschedules: Where Work is separated into phases requiring separately phased payments, provide subschedules showing values correlated with each phase of payment.
  - 4. For Division 15 work, provide the following breakdown of the mechanical subcontractor's work for the Schedule of Values.
    - a. Ductwork Systems.
    - b. HVAC Piping Systems.
    - c. HVAC Equipment.
    - d. HVAC Controls.
    - e. Plumbing, including fixtures and piping.
  - 5. Documentation: Coordinate with subcontractors and material suppliers for proper documentation to be submitted with each Application for Payment.
  - 6. The Contractor shall furnish to the Architect at the beginning of the project an expected monthly requisition estimate for the Owner's use in planning funding.
- B. Format and Content: Use Project Manual Table of Contents as a guide to establish format for Schedule of Values. Provide at least one line item for each Specification Section.
  - 1. Identification: Include the following Project identification on Schedule of Values:
    - a. Project name and location.
    - b. Name of Architect.
    - c. Project number.
    - d. Contractor's name and address.
    - e. Date of submittal.
  - 2. Arrange Schedule of Values in tabular form with separate columns to indicate the following for each item listed:
    - a. Specification Section.
    - b. Description of 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.
    - (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 Project Manual Table of Contents. Break principal subcontract amounts down into several line items.
  4. For Division 15 work, provide the following breakdown of the mechanical subcontractor's work for each Application for Payment.
    - a. Ductwork Systems.
    - b. HVAC Piping Systems.
    - c. HVAC Equipment.
    - d. HVAC Controls.
    - e. Plumbing, including fixtures and piping.
  5. Round amounts to nearest whole dollar; the total shall equal the Contract Sum.
  6. Provide a separate line item for Labor and Materials 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. Provide Labor and Materials breakdown for major portions of the work such as sitework, concrete, masonry, structural steel, roofing and flashing, windows, doors and frames, hardware, gypsum wallboard and metal framing, acoustical treatment, flooring, painting, casework, seating, elevators and lifts, fire protection, plumbing, HVAC, electrical and other work as requested by the Architect.
    - b. With each Application for Payment, provide supporting documentation, including copies of requisitions from subcontractors and material suppliers.
  7. Cash Allowances: Show the line-item value of cash allowances.
  8. Margins of Cost: Show line items for indirect costs and margins on actual costs only when such items are listed individually in Applications for Payment. Each item in the Schedule of Values and Applications for Payment shall be complete. Include the total cost and proportionate share of general overhead and profit margin for each item.
    - a. 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.
  9. 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 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: The date for each progress payment shall be determined at the Preconstruction Conference. The period covered by each Application for Payment starts on the day following the end of the preceding period and ends 15 days prior to the date for each progress payment.
- 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 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 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 Architect.
- F. Waivers of Mechanics Lien: With each Application for Payment, submit waivers of mechanics liens from subcontractors, sub-subcontractors and suppliers for the construction period covered by the previous application.
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 Delays: Submit each Application for Payment with the Contractor's waiver of mechanics lien for the period of construction covered by the application.
    - a. Submit final Applications for Payment with or preceded by 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 waivers of lien on forms, and executed in a manner, acceptable to the Owner.
- G. Record Drawing Updates: With each Application of Payment, record documents shall be maintained and current for all trades, available for viewing at a central location.
- H. 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. Schedule of Submittals.
  5. Contractor's Construction Schedule (preliminary if not final).
  6. List of Contractor's staff assignments.
  7. Copies of permits.
  8. Report of preconstruction meeting.
  9. Certificates of insurance and insurance policies.
  10. Performance and payment bonds.
- I. 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 as specified in Section 01700 - Contract Closeout.
- J. Final Payment Application: Administrative actions and submittals that must precede or coincide with submittal of the final Application for Payment are specified in Section 01700 - Contract Closeout.

PART 2 - PRODUCTS (Not Applicable)

PART 3 - EXECUTION (Not Applicable)

END OF SECTION

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