

SECTION 01 20 00
PRICE AND PAYMENT PROCEDURES

PART 1 – GENERAL

1.1 SECTION INCLUDES

- A. Schedule of values.
- B. Applications for payment.
- C. Change procedures.

1.2 SCHEDULE OF VALUES

- A. Submit printed schedule on format provide by Owner's Authorized Representative.
- B. Submit one copy of the Schedule of Values within 10 calendar days after Date of Owner-Contractor Agreement or Date of Notice to Proceed, whichever comes first.
- C. Format:
 - a. The Contractor and each Subcontractor must prepare a trade payment breakdown for the work for which each is responsible.
 - b. Identify each line item with number of the major specification section.
 - c. The form shall be divided in detail sufficient to exhibit each section of the Work and must be updated as required by the Owner's Authorized Representative.
 - d. Any trade breakdown which fails to include sufficient detail, is unbalanced or exhibits "front loading" of the value of the Work shall be rejected.
 - e. If trade breakdown has been initially approved and subsequently used, but later found improper for any reason, sufficient funds will be withheld from future Applications for Payment to ensure an adequate reserve (exclusive of normal retainage) to complete the Work.
 - f. Include within each line item, a direct proportional amount of Contractor's profit.
- D. Revise schedule to list approved Change Orders, with each Application for Payment.

1.3 APPLICATIONS FOR PAYMENT

- A. Submit five (5) copies of each application - Application and Certificate for Payment.
- B. Content and Format: Utilize Schedule of Values for listing items in Application for Payment.
- C. Submit preliminary application for payment to Owner's Representative, for review and concurrence, 5 calendar days prior to formal submission date. Include only percentage of completion figures, not complete money tabulations. Resubmit corrected percentages with formal application for payment to Owner's Authorized Representative for his approval and signature prior to formal submittal.
- D. Payment Period: Submit at intervals stipulated in the Agreement
- E. No progress payment will be made until Record Documents are up to date and submittals of all products and materials submitted for payment have been approved by the Owner's Authorized Representative.

- F. Progress payment may be withheld for failure to submit shop drawings and product data as requested in Section 01 30 00.
- G. Include the following documentation with each Application for Payment:
 - a. Progress Photos as specified in Section 01 32 33.
 - b. Copy of valid project Workers Compensation Policy, evidence of payment of municipal taxes, and patents.
 - c. When requested. Record documents as specified in Section 01 78 00, for review by the Owner's Authorized Representative which will be returned to the Contractor. Certify as a part of each application for payment that the project record documents are current at the time of application is submitted. The Owner's Authorized Representative must require such drawings to be corrected as a condition of approving any payment to the trade Contractor and Subcontractor.
 - d. When requested. As-Built construction progress schedules, revised and current as specified in Section 01 32 00. If actual progress is behind schedule, discussion of a "catch up plan" that Contractor has employed or will employ to recover the original Project Schedule.
 - e. When requested. An update of the S-Curve indicating projected and actual cash flow to date.
 - f. Any other project related information requested by Owner's Authorized Representative.

1.4 CHANGE PROCEDURES

- A. Submittals: Submit name of individual authorized to receive change documents and be responsible for informing others in Contractor's employ or Subcontractors of changes to the Work.
- B. The Owner's Authorized Representative will advise of minor changes in the Work not involving adjustment to Contract Sum/Price or Contract Time by issuing supplemental instructions.
- C. The Owner's Authorized Representative may issue a Proposal Request including a detailed description of proposed change with supplementary or revised Drawings and specifications, a change in Contract Time for executing the change with stipulation of overtime work required and the period of time during which the requested price will be considered valid. Contractor will prepare and submit estimate within 21 calendar days.
- D. Stipulated Sum/Price Change Order: Based on Proposal Request and Contractor's fixed price quotation or Contractor's request for Change Order as approved by Owner's Authorized Representative.
 - a. Contractor must submit proposals for changes in the Work to the Owner Representative within 21 calendar days after a modification is issued.
 - b. Proposals, to be submitted within 21 calendar days after receipt of request for proposal, must be in legible form, with an itemized breakdown that will include material, quantities, unit prices, labor costs (separated into trades), construction equipment, etc. Labor costs are to be identified with specific material placed or operation performed. The Contractor must obtain and furnish with a proposal an itemized breakdown as described above, signed by each subcontractor participating in the change regardless of tier.
 - c. Proposals will not be reviewed if the same does not comply with paragraph D.2.
- E. Construction Change Directive: Owner's Authorized Representative may issue directive, on AIA

Form G714 Construction Change Directive or different form signed by him, instructing Contractor to proceed with change in the Work, for subsequent inclusion in a Change Order. Document will describe changes in the Work, and designate method of determining any change in Contract Sum/Price or Contract Time. Promptly execute change.

- F. Time and Material Change Order: Submit itemized account and supporting data after completion of change, within time limits indicated in Conditions of the Contract. Owner Representative will determine change allowable in Contract Sum/Price and Contract Time as provided in Contract Documents.
- G. Maintain detailed records of work done on Time and Material Force Account basis, if required. Provide full information required for evaluation of proposed changes, and to substantiate costs for changes in the Work.
- H. Document each quotation for change in cost or time with sufficient data to allow evaluation of quotation.
- I. Change Order Forms: AIA G701 Change Order or Owner's form.
- J. Execution of Change Orders: Owner's Authorized Representative will issue Change Orders for signatures of parties as provided in Conditions of the Contract.
- K. Correlation of Contractor Submittals:
 - a. Promptly revise Schedule of Values and Application for Payment forms to record each authorized Change Order as separate line item and adjust Contract Sum/Price.
 - b. Promptly revise progress schedules to reflect change in Contract Time, revise sub-schedules to adjust times for other items of work affected by the change, and resubmit.
 - c. Promptly enter changes in Project Record Documents.

PART 2 - PRODUCTS
Not Used.

PART 3 - EXECUTION
Not Used

END OF SECTION