

## 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 2010, 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.

##### 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. Arrange schedule of values consistent with format of AIA Document G703 (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. Brief description of the 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 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. Round amounts to nearest whole dollar; total shall equal the Contract Sum.
7. 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. Major items include but not limited to:
    - 1) Earthwork
    - 2) Paving
    - 3) Drilled Piers
    - 4) Concrete beams and slab
    - 5) Masonry
    - 6) Steel
    - 7) Architectural woodwork
    - 8) Miscellaneous metals
    - 9) Waterproofing
    - 10) Roofing
    - 11) Doors and frames
    - 12) Storefront and entrances
    - 13) Curtain wall system
    - 14) Aluminum windows
    - 15) Hardware
    - 16) Gypsum board and metal studs
    - 17) Acoustical panel ceilings
    - 18) Resilient flooring
    - 19) Resinous flooring
    - 20) Carpet
    - 21) Wall coverings
    - 22) Painting
    - 23) Toilet compartments
    - 24) Signage
    - 25) Lab casework
    - 26) Equipment
    - 27) Elevators
8. Provide separate line items in the Schedule of Values for initial cost of materials for each subsequent stage of completion and for total installed value of that part of the Work.
9. Each item in the Schedule of Values and Applications for Payment shall be complete. Include total cost and proportionate share of general overhead and profit for each item.

- a. Temporary facilities and other major cost items that are not direct cost of actual work-in-place shall be shown as separate line items in the Schedule of Values as requested by Owner.
10. 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
11. Plumbing, HVAC, Electrical and Life Safety work shall be broken down in accordance with the following subcategories as a minimum:
  - a. Fire Protection:
    - 1) Service to Building
    - 2) Rough-in (by floor)
    - 3) Finish-out (by-floor)
  - b. Plumbing:
    - 1) Service to Building including water
    - 2) Pumps, water heaters and other equipment
    - 3) Domestic water rough-in (by floor)
    - 4) Sanitary rough-in (by floor)
    - 5) Top-out
    - 6) Plumbing fixtures (by floor)
    - 7) Trim (by Phase)
  - c. Heating, Ventilating and Air Conditioning (HVAC):
    - 1) Units
    - 2) Controls
    - 3) Ductwork and Rough-in (by floor)
    - 4) Grills and Diffusers (by floor)
  - d. Electrical:
    - 1) Service to Building
    - 2) Switch Gear
    - 3) Conduit and Boxes (by floor)
    - 4) Panels (by floor)
    - 5) Wiring (by floor)
    - 6) Fixtures (by floor)
    - 7) Devices (by floor)
    - 8) Trim (by floor)
  - e. Fire Detection and Alarm:
    - 1) Conduit and Boxes (by floor)
    - 2) Panel
    - 3) Wiring (by floor)
    - 4) Devices (by floor)
12. 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. Mail all Applications for Payment to:  
University of North Texas System  
Facilities Planning and Construction  
1155 Union Circle #311040  
Denton, Texas 76203-5017
- Hand Delivery to:  
University of North Texas System  
Facilities Planning and Construction  
2204 West Prairie Street  
Facilities Administration Building  
Denton, Texas 76201
- 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: The due date for each progress payment is the first day of each month. The period covered by each Application for Payment starts on the following day of the last date of the preceding period and ends fifteen (15) days before the date for each progress payment.
- D. Payment Application Forms: Use AIA Document G702 and AIA Document G703 Continuation Sheets as the form for Application for Payment or substantially similar forms furnished by or acceptable to the 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 preceded 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, [http://bsc.untsystem.edu/sites/default/files/BSC\\_Supplier\\_EFT\\_Form.pdf](http://bsc.untsystem.edu/sites/default/files/BSC_Supplier_EFT_Form.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](mailto:bsc@untsystem.edu) or 940-369-5500.

**PART 2 – PRODUCTS (Not Used)**

**PART 3 – EXECUTION (Not Used)**

**END OF SECTION**