

# SECTION 01 29 00 PAYMENT PROCEDURES

## 1 GENERAL

This Section specifies administrative and procedural requirements necessary to prepare and process Applications for Payment.

## 2. RELATED DOCUMENTS

- A Drawings and general provisions of the Contract, including General and Supplementary Conditions and other Division 01 Specification Sections, apply to this Section.
- B Related Specification Sections include the following:
  - (1.) Section 01.26.00 Contract Modification Procedures for administrative procedures for handling changes to the Contract.
  - (2.) Section 01.22.00 Unit Prices for administrative requirements governing use of unit prices.
  - (3.) Section 01.74.19 Construction Waste and Demolition Management
  - (4.) Section 01.77.00 Completion Project Completion Procedures
  - (5.) Section 01.78.39 Project Record Drawings

## 3. SCHEDULE OF VALUES

- A. **Definition - 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 Applications for Payment.
- B. **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, some which can be found in the DHCD Construction Handbook or at the end of this section:
    - (a.) Application for Payment forms with Continuation Sheets.
    - (b.) Submittals Schedule.
    - (c.) Contractor's Construction Schedule.
  - (2.) Submit the Schedule of Values to Architect at earliest possible date but no later than seven days before the date scheduled for submittal of the initial Application for Payment.
  - (3.) Sub-schedules: Where the Work is separated into phases requiring separately phased payments, provide sub-schedules showing values correlated with each phase of payment.
- C. **Format and Content:** Use the Project Manual table of contents as a guide to establish line items for the Summary Schedule of Values. Provide a minimum of at least one line item for each Specification Section. Provide additional breakdown of larger sections when requested by the Architect
  - (1.) Identification: Include the following Project identification on the Schedule of Values:
    - (a.) Project name and location.
    - (b.) Name of Architect.
    - (c.) Department's FISH number.

- (d.) Contractor's name and address.
  - (e.) Date of submittal.
- (2.) Submit draft Schedule of Values using the Application for Payment Continuation Sheets (01.29.00.02). Copies can be found in the Construction Handbook. A sample can be seen at the end of this section
  - (3.) 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 the Work.
    - (c.) Name of subcontractor.
    - (d.) Change Orders Approved by the LHA and Department.
    - (e.) Dollar value.
  - (4.) Provide a breakdown of the Contract Sum in enough detail to facilitate continued evaluation of Applications for Payment and progress reports. Coordinate with the Project Manual table of contents. Provide several line items for principal subcontract amounts in accordance with the examples shown in the Construction Handbook.
  - (5.) Subdivide filed subcontract amounts into major tasks.
  - (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 Transfer of Title of material and proof of ownership by the contractor, insurance or bonded warehousing.
  - (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 may be shown either as separate line items in the Schedule of Values or distributed as general overhead expense, at DHCD Construction Advisor's option.

#### 4. APPLICATIONS FOR PAYMENT

- A Payment Application Content:** Each Application for Payment shall be consistent with previous applications and payments as certified by the Architect and paid for by the Owner.
- B The Initial Application for Payment,** Application for Payment at time of Substantial Completion, and final Application for Payment involves additional requirements
- C Payment Application Times:** Progress payments shall be submitted to the Architect on a day agreed to at the beginning of the work by the Architect, Owner, and DHCD Construction Advisor. The period covered by each Application for Payment is one month, ending on the last day of the month.
- D. Payment Applications Forms:** Use the Application for Payment and Continuation forms found in the Construction Handbook. These forms are also available on the DHCD Web site [www.Mass.gov/dhcd](http://www.Mass.gov/dhcd) and a sample can be seen at the end of this section.

- E. Application Preparation:** Complete every entry on the form. The form shall be executed and notarized by a person authorized to sign legal documents on behalf of Contractor. The Architect will return incomplete applications without action for not being in proper form.
- (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 Orders approved by the Owner and Department before the last day of the construction period covered by application.
- F. Transmittal:** Submit 1 signed and notarized original copy of each Application for Payment to the Architect by a method ensuring receipt within 24 hours.
- F. Initial Application for Payment:** Administrative actions and submittals that must precede or coincide with the submittal of first Application for Payment include the following:
- (1.) Project Directory.
  - (2.) Schedule of Values.
  - (3.) Contractor's Construction Schedule
  - (4.) Products list
  - (5.) Any proposed product substitutions/or equals
  - (6.) Submittals Schedule
  - (7.) List of Contractor's staff assignments (Project Directory).
  - (8.) List of Contractor's principal consultants.
  - (9.) Copies of building permits.
  - (10.) Copies of authorizations and licenses from authorities having jurisdiction for performance of the Work.
- G. Payroll Certifications** – In addition to the requirement to provide weekly payroll certifications as required by MGL c.149 §§26 - 27H, the Contractor shall provide evidence that required each Application for Payment that such submissions are current. Applications received without such certified payroll documentation shall be considered not in proper form and returned to the Contractor for re-submittal with required documentation.
- H. 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.
- I. Final Payment Application:** Submit the final Application for Payment with supporting documentation required by Section 01.77.00 Close out Procedures and 01.78.39 Project Record Drawings.

**END OF SECTION 01 29 00  
Payment Procedures**