

PART 1 GENERAL

1.01 SECTION INCLUDES

- A. Procedures for preparation and submittal of applications for progress payments.
- B. Change procedures.

1.02 RELATED REQUIREMENTS

- A. Section 01 21 00 - Allowances: Payment procedures relating to allowances.
- B. Section 01 77 00 - Closeout Procedures: Project record documents.

1.03 SCHEDULE OF VALUES

- A. Coordination: Coordinate preparation of the schedule of values with preparation of Contractors construction schedule.
- A. Use Schedule of Values Form: AIA G703, current edition.
- B. Electronic media printout including equivalent information will be considered in lieu of standard form specified; submit draft to Architect for approval.
- C. Forms filled out by hand will not be accepted.
- D. Submit Schedule of Values in duplicate within 15 days after date of Commencement of the Work.
- E. Submit the schedule of values to Owners Rep at earliest possible date, but no later than 7 days before the date scheduled for submittal of initial Applications for Payment.
- F. Format: Utilize the Table of Contents of this Project Manual. Identify each line item with number and title of the specification section. Identify site mobilization, bonds and insurance, and phased work.
- G. Provide sufficient detail to facilitate continued evaluation of Applications for Payment and progress reports and so that no line item exceeds five percent of the Contract Sum. Round amounts to nearest whole dollar, the total shall equal the Contract Sum.
- H. Include in each line item, the amount of Allowances specified in this section. For unit cost Allowances, identify quantities taken from Contract Documents multiplied by the unit cost to achieve the total for the item.
- I. Include within each line item, a direct proportional amount of Contractor's overhead and profit.
- J. Revise schedule to list approved Change Orders, with each Application For Payment.
- K. Closeout Costs: Include separate line items under Contractor and principal subcontracts for project closeout requirements in an amount totaling a minimum of 5% of Contract Sum and subcontract amount.

1.04 TAXES

- A. The owner is exempt from any local, state or federal sales, use or excise tax. The owner will not pay for state sales and use tax that are included in any invoices.

1.05 APPLICATIONS FOR PROGRESS PAYMENTS

- A. Each Application for Payment shall be in accordance with the agreed upon procedures and forms in the Owner-Contractor Agreement. In the event, agreement is silent on specific procedures, Contractor to follow protocols identified below.
- B. Payment Period: Submit at intervals stipulated in the Agreement.
- C. Use Form AIA G732 and Form AIA G703, current edition.
- D. Electronic media printout including equivalent information will be considered in lieu of standard form specified; submit sample to Architect for approval.
- E. Forms filled out by hand will not be accepted.
- F. Execute certification by signature of authorized officer.
- G. Use data from approved Schedule of Values. Provide dollar value in each column for each line item for portion of work performed and for stored products.
- H. List each authorized Change Order as a separate line item, listing Change Order number and dollar amount as for an original item of work.
- I. Submit one electronic and three hard-copies of each Application for Payment.
- J. Submit the following prior to the first Application for Payment. No payment will be approved until these have been submitted.
 - 1. Evidence of Affirmative Action Compliance.
 - 2. Proof of Business Registration.
 - 3. Copy of the building permit.
 - 4. Name and qualifications of a proposed superintendent.
 - 5. Names of persons or entities proposed for each principal portion of the Work.
 - 6. Submittal schedule.
 - 7. Schedule of values.
 - 8. Insurance certificates naming the Owner, Architect, and Architect's consultants as additional insureds under the Contractor's commercial general liability policy.
- K. Include the following with each application during construction:
 - 1. Transmittal letter as specified for submittals in Section 01 30 00.
 - 2. Construction progress schedule, revised and current as specified in Section 01 32 16.
 - 3. Current construction photographs specified in Section 01 30 00.
 - 4. Partial release of liens from major subcontractors and vendors.
 - 5. Certified payrolls.
 - 6. Affidavits attesting to off-site stored products.
 - 7. Updated Construction Schedule
 - 8. Daily Construction Reports
 - 9. Updated Change Order Log

- L. When Architect requires substantiating information, submit data justifying dollar amounts in question. Provide one copy of data with cover letter for each copy of submittal. Show application number and date, and line item by number and description.

1.06 MODIFICATION PROCEDURES

- A. For minor changes not involving an adjustment to the Contract Sum or Contract Time, Architect will issue instructions directly to Contractor.
- B. For other required changes, Architect will issue a document signed by Owner instructing Contractor to proceed with the change, for subsequent inclusion in a Change Order.
 - 1. The document will describe the required changes and will designate method of determining any change in Contract Sum or Contract Time.
 - 2. Promptly execute the change.
- C. For changes for which advance pricing is desired, Architect will issue a document that includes a detailed description of a proposed change with supplementary or revised drawings and specifications, a change in Contract Time for executing the change with a stipulation of any overtime work required and the period of time during which the requested price will be considered valid. Contractor shall prepare and submit a fixed price quotation within 14 days.
- D. Contractor may propose a change by submitting a request for change to Architect, describing the proposed change and its full effect on the work, with a statement describing the reason for the change, and the effect on the Contract Sum and Contract Time with full documentation. Document any requested substitutions in accordance with Section 01 25 00.
- E. Computation of Change in Contract Amount: As specified in the Agreement and Conditions of the Contract.
- F. Substantiation of Costs: Provide full information required for evaluation.
 - 1. Provide the following data:
 - a. Quantities of products, labor, and equipment.
 - b. Taxes, insurance, and bonds.
 - c. Overhead and profit.
 - d. Justification for any change in Contract Time.
 - e. Credit for deletions from Contract, similarly documented.
 - 2. Support each claim for additional costs with additional information:
 - a. Origin and date of claim.
 - b. Dates and times work was performed, and by whom.
 - c. Time records and wage rates paid.
 - d. Invoices and receipts for products, equipment, and subcontracts, similarly documented.
 - 3. For Time and Material work, submit itemized account and supporting data after completion of change, within time limits indicated in the Conditions of the Contract.
- G. Overhead and Profit:
 - 1. For all extra Work performed by Contractor:
 - a. The gross cost to the Owner shall include the net cost of the Work to the Contractor plus an allowance for overhead and profit (inclusive of bond and insurance) not to exceed 15% of the net cost.
 - 2. For all extra Work performed by a Subcontractor:

- a. The gross cost to the Owner shall include the net cost of the Work to the Subcontractor plus an allowance for overhead and profit not to exceed 10% of the net cost, plus the Contractor's overhead and profit (inclusive of bond and insurance) not to exceed 10% of the Subcontractor's cost (for a maximum aggregate total of 21%).
- H. Execution of Change Orders: Architect will issue Change Orders for signatures of parties as provided in the Conditions of the Contract.
- I. After execution of Change Order, promptly revise Schedule of Values and Application for Payment forms to record each authorized Change Order as a separate line item and adjust the Contract Sum.
- J. Promptly revise progress schedules to reflect any change in Contract Time, revise sub-schedules to adjust times for other items of work affected by the change, and resubmit.
- K. Promptly enter changes in Project Record Documents.

1.07 APPLICATION FOR FINAL PAYMENT

- A. Forms:
 - 1. AIA G706 "Contractor's Affidavit of Payment of Debts and Claims"
 - 2. AIA Document G706A "Contractor's Affidavit of release of Liens"
 - 3. AIA Document G707 "Consent of Surety to Final Payment"
- B. Prepare Application for Final Payment as specified for progress payments, identifying total adjusted Contract Sum, previous payments, and sum remaining due.
- C. Application for Final Payment will not be considered until the following have been accomplished:
 - 1. All closeout procedures specified in Section 01 77 00.
 - 2. Conditions listed in AIA Document A201 § 9.10.2.
 - 3. Pursuant to N.J.S.A. 52:32-44, submit a complete and accurate list of all subcontractors used and their addresses.
 - 4. Completion of items specified for completion after Substantial Completion.
 - 5. Ensure that unsettled claims will be settled.
 - 6. Ensure that incomplete Work is not accepted and will be completed without undue delay.
 - 7. Transmittal of required Project construction records to the Owner.
 - 8. Certified property survey (if applicable).
 - 9. Proof that taxes, fees, and similar obligations were paid.
 - 10. Removal of temporary facilities and services.
 - 11. Removal of surplus materials, rubbish, and similar elements.
 - 12. Completion of training necessary for the Owners personnel to operate all systems trouble-free.
 - 13. Execution of maintenance agreements and assurance that maintenance is on-going.

PART 2 PRODUCTS - NOT USED

PART 3 EXECUTION

3.01 PROGRESS PAYMENTS PROCEDURE

- A. Submit applications for payment within the time period stipulated in the Agreement.
- B. The Architect will review and respond to the application within the time period stipulated in the Agreement.
- C. The Owner will make payment within 30 days of the date established for the progress payment.
- D. If the Architect does not issue a Certificate for Payment, through no fault of the Contractor, within seven days after receipt of the Contractor's Application for Payment, or if the Owner does not pay the Contractor within seven days after the date established in the Contract Documents, the amount certified by the Architect or awarded by binding dispute resolution, then the Contractor may, upon seven additional days' notice to the Owner and Architect, stop the Work until payment of the amount owing has been received.
- E. The Contractor shall pay each Subcontractor, no later than ten days after receipt of payment from the Owner.

END OF SECTION