SECTION 012900 - PAYMENT PROCEDURES

PART 1 - CONTRACT VALUE $100,000 AND OVER

1.1 SUMMARY

A. This Section specifies administrative and procedural requirements to prepare and process Applications for Payment for Construction Contracts.

1.2 SCHEDULE OF VALUES (SOV)

A. Coordination:

1. Coordinate line items in the schedule of values (SOV) with the following:
   a. Items required as separate activities in Contractor's construction schedule.
   b. Phased work required due to building occupancy
   c. Breakdown of bid required in the RFP.

2. Submit the SOV to the SRP PM at earliest possible date but no later than 14 work days before the submittal of initial Application for Payment.

B. Format and Content:

1. The Project Specifications Table of Contents may serve as a guide to help establish the detail of line items for the SOV.

2. Identification: Include the following Project identification on the SOV:
   a. Project name and location.
   b. Name of Architect.
   c. Architect's project number.
   d. Contractor's name and address.
   e. Date of submittal.

3. Submit SOV on AIA Document G703 or Excel spreadsheet with format and content found in the AIA Document G703.

4. Provide a breakdown of the Contract Sum in enough detail to facilitate evaluation of Applications for Payment and progress reports. As a minimum, the breakdown of the SOV will include every line item required on the RFP Bid form. Provide a separate line item for:
   a. Each subcontract.
   b. GC on-site supervision
   c. GC Overhead (office management and support)
   d. GC Profit
   e. Provide multiple line items for each subcontract that is in excess of 10% (ten) percent of Contract Amount. (include line for tiered sub)
   f. Each allowance
   g. Self perform work
   h. Temporary facilities and other major cost items that are not direct cost of actual work-in-place

5. Round amounts to nearest whole dollar; total shall equal the Contract Sum.
6. Updating the SOV: Update and resubmit the SOV before the next Application for Payment when Change Orders or Owner Construction Change Directives result in a change in the Contract Sum.

7. All changes to the SOV require written approval by SRP Procurement.

1.3 APPLICATIONS FOR PAYMENT

A. Each Application for Payment shall be consistent with previous applications and payments as certified by Architect and paid for by SRP. Initial Application for Payment and final Application for Payment involve additional requirements.

B. Due Date:
1. Submit draft Application for Payment (with all required attachments) via e-mail to SRP PM and Procurement by the 25th of the month.
2. SRP will review. At SRP’s discretion, SRP may require a project walk through by the A/E, SRP, and the Contractor to confirm accepted work-in-place.
3. The SRP PM will e-mail an approval, thereby authorizing Contractor to submit the Application for Payment.

C. Forms: Use AIA Document G702 and AIA Document G703

D. Preparation: Complete every entry on form. Notarize and execute by a person authorized to sign legal documents on behalf of Contractor. SRP will return incomplete applications without action.
1. Entries shall match data on the SOV and Contractor's construction schedule. Use updated SOV if revisions were approved by SRP.
2. Include amounts of approved Change Orders and Construction Change Directives issued before the 25th of the month submitted.
3. All Pay Applications must show the SRP PO number on the top of the application form.

E. Transmission of Payment Applications: After the SRP PM has approved the draft, transmit (one) 1 signed and notarized original of the Application for Payment to SRP Accounts Payable. Do not include lien waivers or any attachments.
1. Mail, e-mail, or fax the complete pay app as follows:
   a. Mail to the PO Box for processing by the Third Party accounts payable company.
   b. E-mail the pay app as a PDF or TIF attachment. Do not embed within the text of the message. Send to 888-443-4795@onlinecapturecenter.com
   c. Fax to 888-443-4795
2. SRP shall process the approved Application for Payment and send a check or EFT in accordance with the terms of the Contract.

F. Attachments Required for the draft only:
1. Waivers of Mechanic's Lien: With each Application for Payment, submit waivers of mechanic's lien from entities lawfully entitled to file a mechanic's lien arising out of the Contract and related to the Work covered by the payment.
   a. Submit partial waivers on each item for amount requested in previous application, after deduction for retainage, on each item.
   b. When an application shows completion of an item, submit conditional final or full waivers.
   c. SRP reserves the right to designate which entities involved in the Work must submit waivers.
   d. Waiver Forms: Submit waivers of lien on State of Arizona required forms.
2. Project Schedule: provide schedule with work updated no older than 7 days earlier (18th of the month).

3. Critical Path Schedule: For projects with duration greater than 60 days, provide a single critical path schedule showing the scheduled progression of the job. Do not show work breakdown structure or any other grouping that interferes with the ability to see the critical path as it progresses through the end of the project.

G. 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. List of subcontractors (unless unchanged from list provided at time of bid).
2. Schedule of values. (this is a submittal)
3. Contractor's project schedule (preliminary if not final) (this is a submittal).
4. Submittal schedule (preliminary if not final)
5. Submittal Log (this is a submittal).
6. List of Contractor's staff assignments.
7. List of Contractor's principal consultants.
8. Copies of County and State required permits.

H. Final Payment Application: Submit final Application for Payment 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 (see Section 017700 Closeout).
2. Insurance certificates for products and completed operations where required and proof that taxes, fees, and similar obligations were paid.
5. Evidence that claims have been settled.
6. Final meter readings for utilities, a measured record of stored fuel, and similar data as of when Owner took possession of and assumed responsibility for corresponding elements of the Work.
7. Final liquidated damages settlement statement.

PART 2 - CONTRACT VALUE LESS THAN $100,000

2.1 SCHEDULE OF VALUES (SOV)

A. Coordination:

1. Coordinate line items in the schedule of values (SOV) with the following:
   a. Items required as separate activities in Contractor's construction schedule.
   b. Phased work required due to building occupancy

2. Submit the SOV to the SRP PM at earliest possible date but no later than 14 work days before the submittal of initial Application for Payment.

B. Format and Content:

1. For Contracts under $100,000, use the RFP Bid Form as a guide to establish the detail of line items for the SOV. The breakdown of the SOV will include every line item required on the RFP Bid form.
2. Identification: Include the following Project identification on the SOV:
a. Project name and location.
b. Name of Architect.
c. Architect's project number.
d. Contractor's name and address.
e. Date of submittal.


4. Round amounts to nearest whole dollar; total shall equal the Contract Sum.

5. Temporary facilities and other major cost items that are not direct cost of actual work-in-place must be shown as separate line items in the schedule of values.

6. Updating the SOV: Update and resubmit the SOV before the next Application for Payment when Change Orders or Owner Construction Change Directives result in a change in the Contract Sum.

7. All changes to the SOV require written approval by SRP Procurement.

2.2 APPLICATIONS FOR PAYMENT

A. Due Date: Payment Applications shall be submitted to SRP as follows:

1. Submit draft Application for Payment (include all required attachments) via e-mail to SRP PM and Procurement by the 25th of the month.
2. SRP will review.
3. The SRP PM will e-mail an approval, thereby authorizing Contractor to submit the Application for Payment.

B. Forms: Use Contractor’s standard invoice form with Excel spreadsheet SOV.

C. Preparation: Complete every entry on form.

1. Entries shall match data on the SOV. Use updated SOV if revisions were made and approved by SRP.
2. Include amounts of approved Change Orders and Construction Change Directives issued before the 25th of the month submitted.
3. All Pay Applications must show the SRP PO number on the top of the invoice.

D. Transmission of Payment Applications: After approval of the draft by the SRP PM, transmit (one) 1 signed original of the Application for Payment to SRP Accounts Payable. Do not include lien waivers or any attachments.

1. Mail, e-mail, or fax the invoice form (pay app) as follows:
   a. Mail to the PO Box for processing by the Third Party accounts payable company.
   b. E-mail the entire pay app as a PDF or TIF attachment. Do not embed within the text of the message. Send to 888-443-4795@onlinecapturecenter.com
   c. Fax to 888-443-4795
2. SRP shall process the approved Application for Payment and send a check or EFT in accordance with the terms of the Contract.

E. Attachments Required for the draft only:

1. Waivers of Mechanic's Lien: With each Application for Payment, submit waivers of mechanic’s lien from entities lawfully entitled to file a mechanic’s lien arising out of the Contract and related to the Work covered by the payment.
a. Submit partial waivers on each item for amount requested in previous application, after deduction for retainage, on each item.

b. When an application shows completion of an item, submit conditional final or full waivers.

c. SRP reserves the right to designate which entities involved in the Work must submit waivers.

d. Waiver Forms: Submit waivers of lien on State of Arizona required forms.

PART 3 - EXECUTION (Not Used)

END OF SECTION 012900