SECTION  – payment procedures

This Section is a CANADIAN master.

This Section uses the term "Consultant." Change this term to match that used to identify the design professional as defined in the General and Supplementary Conditions.

Removed from Section: definitions, sub schedule for phased work, sub schedules for separate design contracts, and references to multiple contractors.

section 01 29 00 – pAYMent procedures

1. General
   1. summary
      1. Section includes administrative and procedural requirements necessary to prepare and process Applications for Payment.
   2. Schedule of values
      1. Coordination: Coordinate preparation of the schedule of values with preparation of Contractor's construction schedule.
         1. Coordinate line items in the schedule of values with other required administrative forms and schedules, including the following:
            1. Application for Payment forms with continuation sheets.
            2. Submittal schedule.
            3. Items required to be indicated as separate activities in Contractor's construction schedule.
         2. Submit the schedule of values at earliest possible date, but no later than seven days before the date scheduled for submittal of initial Applications for Payment.

Retain "Sub schedules for Separate Elements of Work" Subparagraph below if the Work is divided into separate elements for large projects, such as different floors or wings. See the Evaluations in Section 01 32 16 – Construction Progress Schedule.

* + - 1. Sub schedules for Separate Elements of Work: Where the Contractor's construction schedule defines separate elements of the Work, provide sub schedules showing values coordinated with each element.
    1. Format and Content: Use 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:
          1. Project name and location.
          2. Name of Consultant.
          3. Consultant's project number.
          4. Contractor's name and address.
          5. Date of submittal.
       2. Provide a breakdown of the Contract Sum in enough detail to facilitate continued evaluation of Applications for Payment and progress reports. Coordinate with Project Manual table of contents.

Consider retaining next two paragraphs below for projects with a construction cost of $500,000 or more, or where majority of work will be performed by one subcontractor and multiple applications for payment will be made before Substantial Completion.

* + - * 1. Provide multiple line items for principal subcontract amounts in excess of five percent (5%) of the Contract Sum.
        2. Break down principal subcontract amounts into separate labor and materials items. Breakdown of subcontractor's schedule of values must be true and accurate.

Retain first subparagraph below. Strengthen provisions below to protect against undue front-end loading if required.

* + - 1. Round amounts to nearest whole dollar; total shall equal the Contract Sum.
      2. 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.
         1. Differentiate between items stored on-site and items stored off-site. If required, include evidence of insurance. No items will be permitted to be stored offsite without prior approval by Consultant and Owner.
      3. 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.
      4. Include separate line items under principal subcontracts for Project closeout requirements in an amount totaling five percent (5%) of the Contract Sum and subcontract amount.

Retain "Purchase Contracts" Subparagraph below if Specifications include purchase contracts and specified in Section 01 11 00 – Summary of Work. See the Evaluations in Section 01 11 00 – Summary of Work for discussion of purchase contracts.

* + - 1. Purchase Contracts: Provide a separate line item in the schedule of values for each purchase contract. Show line-item value of purchase contract. Indicate Owner payments or deposits, if any, and balance to be paid by Contractor.

Retain first subparagraph below; revise to suit Project. Owner's financial advisors usually insist on this requirement. See Evaluations for discussion on overhead distribution.

* + - 1. 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.
         1. 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 Contractor's option.
      2. Schedule Updating: Update and resubmit the schedule of values before each Application for Payment when Change Orders or Change Directives result in a change in the Contract Sum.
  1. applications for payment

See Evaluations for discussion on waiver of liens and other documentation involved.

* + 1. Each Application for Payment following the initial Application for Payment shall be consistent with previous applications and payments as certified by Consultant 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.
    2. Payment Application Times: Submit Application for Payment to Consultant by the first day of the month. The period covered by each Application for Payment is one month, ending on the last day of the month.
       1. Submit draft copy of Application for Payment seven (7) days prior to due date for review by Consultant.
    3. Application for Payment Forms: Use CCDC 9A Statutory Declaration of Progress Payment Distribution by Contractor as form for Applications for Payment.
    4. Application Preparation: Complete every entry on form. Notarize and execute by a person authorized to sign legal documents on behalf of Contractor. Incomplete applications will be returned to Contractor 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 for work completed following previous Application for Payment, whether or not payment has been received. Include only amounts for work completed at time of Application for Payment.
       3. Include amounts of Change Orders and Construction Change Directives issued before last day of construction period covered by application.
    5. Transmittal: Submit three (3) signed and notarized original copies of each Application for Payment by a method ensuring receipt within twenty-four (24) hours of preparation. One copy shall include waivers of lien and similar attachments if required.
       1. Transmit each copy with a transmittal form listing attachments and recording appropriate information about application.
    6. Initial Application for Payment: Administrative actions and submittals that must precede or coincide with submittal of first Application for Payment include the following:
       1. List of subcontractors, principal suppliers, and fabricators.
       2. Contractor's construction schedule (preliminary if not final).
       3. Schedule of values.

Delete next two paragraphs below if not a LEED-registered project.

* + - 1. LEED submittal for project materials cost data.
      2. LEED action plans.

Delete below if not required for small projects. Coordinate with "Action Submittals" Article in Section 01 33 00 – Submittal Procedures.

* + - 1. Submittal schedule (preliminary if not final).
      2. List of Contractor's staff assignments.
      3. List of Contractor's principal consultants.
      4. Copies of building permits.
      5. Copies of authorizations and licenses from authorities having jurisdiction for performance of the Work.
      6. Report of pre-construction conference.

Delete items from three subparagraphs below submitted before executing the Contract.

* + - 1. Certificates of insurance and insurance policies.
      2. Performance and payment bonds.
      3. Data needed to acquire Owner's insurance.
      4. Construction waste management program.
    1. Application for Payment at Substantial Performance: As required in Section 01 77 19 – Closeout Requirements, submit an Application for Payment showing percentage complete for portion of the Work claimed as substantially performed, and in compliance with the requirements of the applicable provincial construction lien legislation.
       1. Include documentation supporting claim that the Work is substantially performed and a statement showing an accounting of changes to the Contract Sum.
       2. This application shall reflect any Certificate(s) of Substantial Performed issued previously for portions of the Work.
    2. Final Payment Application: After completing Project closeout requirements, submit final Application for Payment with releases and supporting documentation not previously submitted and accepted, including, but not limited, to the following:

Consult Owner about the need for additional affidavits and other requirements.

* + - 1. Evidence of completion of Project closeout requirements, including, but not limited to the following:
         1. Transmittal of required Project Record Documents to Owner.
         2. Evidence of completion of demonstration and training.
      2. Insurance certificates for products and completed operations where required and proof that taxes, fees, and similar obligations were paid.
      3. Updated final statement, accounting for final changes to the Contract Sum.
      4. Certificate of Substantial Performance of the Contract.
      5. Evidence that claims have been settled.
      6. Final meter readings for utilities, a measured record of stored fuel, and similar data as of date of Substantial Completion or when Owner took possession of and assumed responsibility for corresponding elements of the Work.
      7. Final liquidated damages settlement statement.
      8. Occupancy permits and similar approvals or certifications by governing authorities and franchised services, assuring Owner's full access and use of completed work.
  1. review of application for payment

Coordinate date in paragraph below with date in "Payment Application Times" paragraph above.

* + 1. Draft Copy Review Meeting: The Owner, Consultant, and Contractor shall meet prior to payment application due date to review the draft (pencil) copy of the Application for Payment. Questions resulting from this review shall be answered by the Contractor and clarified prior to receipt of the official copy of the Application for Payment.
    2. Upon receipt of the official Application for Payment and other documentation as required by the Consultant, including the updated Schedule of Values and the updated Contractor's Construction Schedule if required, the Consultant shall review the documents received to determine if they correspond to the agreements reached during the draft copy review meeting. If necessary, the Consultant shall revise the Application for Payment to correspond to the agreements reached, execute the Certificate for Payment, and forward the executed copies to the Owner.
    3. The Consultant will rely on the accuracy and completeness of the information furnished by the Contractor. Issuance of a Certificate of Payment will not be deemed to represent that the Consultant has performed audits of the supporting data.
    4. Payment will not be made for materials and equipment stored off site, except at the Owner's discretion and prior approval. When the Application for Payment includes material or equipment stored off site, include with the Application a written statement on Contractor's letterhead certifying the following:
       1. Description of the item(s) being stored.
       2. Location of the bonded warehouse(s) where materials or equipment is being stored.
       3. Affidavit of storage.
       4. Certificate of insurance.
       5. Bill of sale made to Owner stating there will be no additional cost for transportation and delivery of the item(s) being stored.
       6. Statement certifying that item, or any part thereof, will not be installed in any construction other than work under this Contract.

Delete paragraph below if Project is not LEED-registered.

* + 1. The Owner reserves the right to withhold progress payments to Contractor if LEED-related documentation is judged to be incomplete or unacceptable.

1. Products

Not Used

1. Execution

Not Used

END OF SECTION