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| ***~~~~~ SPECIFIER NOTE ~~~~~***  This specification guidelines, its sections, and text included, is intended to be used in the preparation of Contract Documents. It contains Specifier Notes which shall guide editing by the A/E consultant for the uniqueness of each project during the preparation of the Project Manual. Where **[Optional]** appears in this document, it indicates requirements which may/may not be relevant to the subject project depending upon the project complexity, scope, and unique conditions. For **DRAFT** specifications prepared during the design process, use Microsoft Word, Track Changes. Set Criteria so that deletion show as strikethrough. Deletions and additions are to be in red text.  Notes unique to this section:  *1.*  *2.*  ***~~~ END OF SPECIFIER NOTES ~~~~*** |

SECTION 01 2000 - PRICE AND PAYMENT PROCEDURES

PART 1 GENERAL

1.01 SECTION INCLUDES

A. Procedures for preparation and submittal of applications for progress payments.

B. Documentation of changes in Contract Sum and Contract Time.

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| ***~~~~~ SPECIFIER NOTE ~~~~~***  *1. Delete Section 01 2000 - Allowances if not included in project.*  *2. Delete Section 01 2200 - Unit Prices if not included in project.*  *3. Include Section 01 3216 - Construction Progress Schedule when the project requires the linking of Schedule of Values with the Construction Progress Schedule.*  ***~~~ END OF SPECIFIER NOTES ~~~~*** |

1.02 RELATED REQUIREMENTS

A. Drawings and general provisions of the Contract, including the General Conditions for Washington State Facilities Construction and other Division 01 specification sections, apply to this section.

B. Washington State Department of Enterprise Services, Forms and Reference Documents may be obtained at https://des.wa.gov/services/facilities-leasing/public-works-design-construction/formsreference-documents including forms:

1. Invoice Voucher A-19 form

C. Section 01 2100 - Allowances: Payment procedures relating to allowances

D. Section 01 2200 - Unit Prices: Payment and modification procedures relating to unit prices

E. Section 01 3216 - Construction Progress Schedule: For linking Schedule of Values with Construction Progress Schedule

F. Section 01 7800 - Closeout Submittals and Procedures: Project record documents

1.03 SCHEDULE OF VALUES

A. Handwritten forms will not be accepted.

B. Submit Schedule of Values on Owner-provided Application for Payment Form A-19 within 30 days after date established as the Notice to Proceed or 7 days prior to first Application for Payment, whichever is first.

1. Approved Schedule of Values shall be used by the Owner as the basis for progress payments.

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| ***~~~~~ SPECIFIER NOTE ~~~~~***  *For projects of Limited Scope, use the following Format section. In general, a Limited Scope project may be any of the following:*  *1. A MACC under $1M*  *2. Only a few subcontractor trades*  *3. Are interior tenant improvement projects*  *4. Job Order Contracts*  *Provide additional procedures or required values as may be appropriate for project scope.*  ***~~~ END OF SPECIFIER NOTES ~~~~*** |

C. Format: Schedule of Values shall breakdown the total Contract Sum into each category of work utilizing, at a minimum, the Table of Contents of this Project Manual. Identify each line item with number and title of the specification section.

1. Procedures:

a. When any one line item exceeds 5% of the Contract Sum, provide further breakdown into material, labor, and equipment to install.

b. Sum of all entries shall equal the Contract Sum.

c. Round figures to nearest dollar amount.

2. The following required values shall be included as separate line items.

a. Site Mobilization. Total shall not exceed 3% of Contract Sum.

b. Bonds and Insurance.

c. Major cost items, which are not directly a cost of actual work-in-place, such as distinct temporary facilities, construction barriers, dust control measures, etc.

d. Completion of work noted on Punch List.

e. Final Cleaning.

f. Construction closeout. Total shall not be less than 2% of Contract Sum. Closeout shall include individual line items for:

1) Demobilization

2) Record Drawings

3) Operation and Maintenance Manuals

4) Warranties and Bonds

5) Any other specified project closeout activities

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| ***~~~~~ SPECIFIER NOTE ~~~~~***  *For all other projects, use the following Format section.*  *1. Include the procedures for cross referencing Schedule of Values with Construction Progress Schedule for larger (in excess of $10M MACC) or more complex (multiple phases, high level of technical construction).*  *2. Include required value for Quality Assurance Program only if specified in Section 01 4000.*  *3. Provide additional procedures or required values as may be appropriate for project scope and complexity.*  ***~~~ END OF SPECIFIER NOTES ~~~~*** |

D. Format: Schedule of Values shall breakdown the total Contract Sum into each category of work utilizing, at a minimum, the Table of Contents of this Project Manual. Identify each line item with number and title of the specification section.

1. Procedures:

a. For each line-item show breakdown by material, labor, and equipment to install.

b. To the extent logical, for line item exceeding $50,000, provide additional breakdown related to project scope (i.e., by floor, by phase, by material, etc.).

c. Sum of all entries shall equal the Contract Sum.

d. Round figures to nearest dollar amount.

e. Cross reference Schedule of Values amounts to the Construction Progress Schedule tasks specified in Section 01 3216.

2. The following required values shall be included as separate line items.

a. Site Mobilization. Total shall not exceed 3% of Contract Sum.

b. Bonds and Insurance.

c. Major cost items, which are not directly a cost of actual work-in-place, such as distinct temporary facilities, construction barriers, dust control measures, etc.

d. Costs for administering the Quality Assurance Program as specified in section 01 4000. Including labor for Quality Assurance Manager.

e. Coordination Drawings. Includes costs for preparation, submittal and approval.

f. Completion of work noted on Punch List.

g. Final Cleaning.

h. Construction closeout. Total shall not be less than 2% of Contract Sum. Closeout shall include individual line items for:

1) Demobilization

2) Record Drawings

3) Final Operation and Maintenance Manuals

4) Warranties and Bonds

5) Any other specified project closeout activities.

E. Revise Invoice Voucher Form A-19 to list approved Change Orders, with each Application for Payment.

1.04 CONTRACTOR DAILY OVERHEAD RATE

A. Submit within 30 days after issuance of Notice to Proceed, the Contractor’s Daily Overhead costs broken out by labor, material, and equipment including all reasonable direct and indirect expenses associated with maintaining an on-site presence, including non-craft labor, temporary construction facilities, field engineering, schedule updating, as-built drawings, home office cost, B&O taxes, office engineering, estimating costs, and incidental costs.

1.05 APPLICATIONS FOR PAYMENTS

A. Payment Period: Submit at Monthly Intervals.

B. Prior to the first Application for Payment, submit approved Intents to Pay Prevailing Wages for the Contractor and all subcontractors and/or for all subcontractors listed on submitted pay application.

C. Use Form State of Washington Invoice Voucher, Form A-19.

D. Handwritten forms will not be accepted.

E. Execute certification by signature of authorized officer.

F. Use data from approved Schedule of Values. Provide dollar value in each column for each line item for portion of work performed.

G. List each authorized Change Order as a separate line item, listing Change Order number and dollar amount as for an original item of work. Provide itemized list of Change Order Proposals and Field Authorizations.

H. Submit draft Application for Payment to Architect for review and approval 7 days prior to actual date of Application for Payment.

I. Provide access to Contractor's Record Drawings for review by Architect.

J. Contractor may follow the electronic submitting process for pay applications through the Architect, the DES PM, to the Client Agency.

K. Include the following with the application:

1. Department of Labor & Industries (L&I) dashboard printout as evidence that all Intents to Pay Prevailing Wages, for all subcontractors/suppliers included in the Application for Payment, have been submitted and approved by L&I. Client Agency will not make payment until the intents are approved.

2. In accordance with [RCW 39.12.120](https://app.leg.wa.gov/RCW/default.aspx?cite=39.12.120), Contractors and subcontractors shall file a copy of their certified payroll records using the L&I online system each month. The online L&I, Prevailing Wage Intent & Affidavit (PWIA), can be found at: <https://lni.wa.gov/licensing-permits/public-works-projects/contractors-employers/contractor-portal>. Questions about how to access or use this system should be directed to [pw1@lni.wa.gov](https://stateofwa-my.sharepoint.com/personal/talia_baker_des_wa_gov/Documents/Documents/StaffSupport/MiscProjects/Division1/nancyd179/AppData/Local/Microsoft/Windows/INetCache/Content.Outlook/OG84IZ4G/pw1@lni.wa.gov).

3. Construction progress schedule is to be revised as specified in Section 01 3216.

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| ***~~~~~ SPECIFIER NOTE ~~~~~***  *Include QAM daily reports only if project requires them in section 01 4000.*  ***~~~ END OF SPECIFIER NOTES ~~~~*** |

4. QAM (Quality Assurance Manager's) daily reports.

5. Affidavits attesting to off-site stored products if applicable.

L. When A/E requires substantiating information, submit data justifying dollar amounts in question.

1.06 APPLICATION FOR FINAL PAYMENT

A. Prepare application for final payment as specified for progress payments, identifying total adjusted Contract Sum, previous payments, and sum remaining due.

1. Prepare Application for Payment of Retainage Funds or request release of Retainage Bond.

B. Application for Final Payment will not be considered until the following have been accomplished:

1. All closeout Procedures specified in Section 01 7800.

2. Receipt of all Closeout Submittals specified in Section 01 7800.

1.07 RETAINAGE RELEASE

A. Retainage will not be released or paid until the referenced agencies sends approvals and releases have been received by the public entity/client.

1. Referenced Agencies are: Department of Revenue, Department of Labor & Industries and Department of Employment Security and the DES Lien Release.

2. The public entity/client agency must ensure that they have on file an approved Affidavit of Wages paid for the Contractor and all subcontractors listed.

B. Release of retainage is provided according to the Contractor’s chosen Retainage Investment Option.

1. When retainage is NOT invested, then the Contractor shall submit a Retainage Invoice, once all approved agency releases and lien release have been sent to public entity/client for processing, and to the DES PM for payment.

2. When retainage IS invested/Escrow, Contractor shall submit copies of all approved agency releases to the DES PM and to the Client Agency. The Owner then sends a letter of release of funds to the bank or savings and loan.

3. When retainage is invested and converted to bonds and securities, Contractor shall submit copies of all agency releases to the DES PM and to the Client Agency. The Owner then sends a letter of release to the bank/trust company.

4. When the Contractor has a Retainage Bond, Contractor shall submit copies of all approved agency releases to the DES PM and to the Client Agency. The Owner then sends a letter of release to the bonding company.

PART 2 PRODUCTS - NOT USED

PART 3 EXECUTION - NOT USED

END OF SECTION 01 2000 - PRICE AND PAYMENT PROCEDURES