



FACILITIES PLANNING, DESIGN & CONSTRUCTION  
PROCESS AND BEST PRACTICES

**The Schedule of Values and Certificate for Payment**



## AGENDA

### Schedule of Values

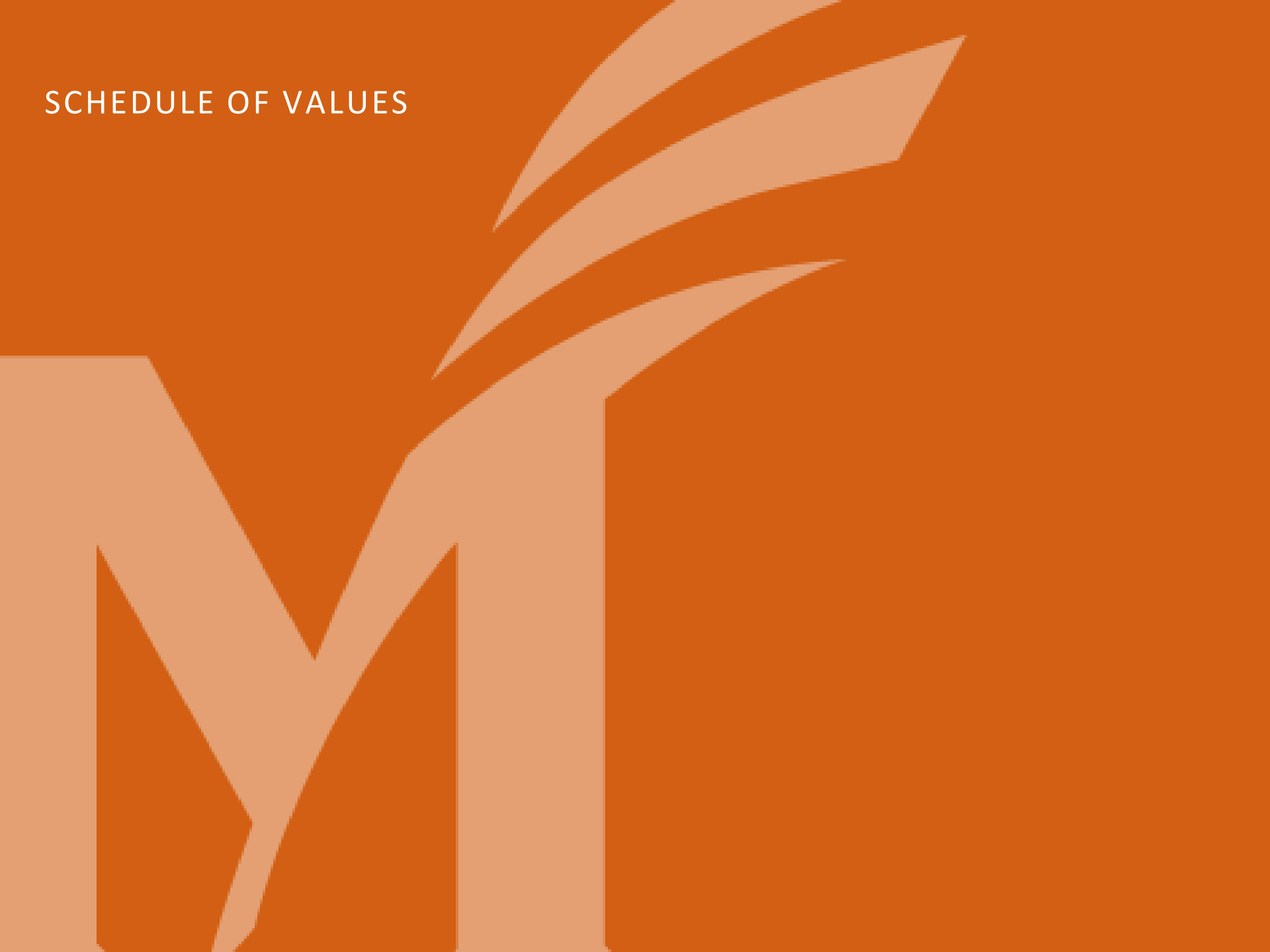
- Purpose
- Requirements
- Format
- Considerations
  - Phasing
  - Stored Materials
- Responsibilities
  - Contractor
  - Architect
- Process
- Takeaways

### Certificate for Payment

- Purpose
- Requirements
- Responsibilities

- Contractor
- Architect
- Inspector
- Methods
- Process
- Disputes
- Retainage
- Stored Materials Off Site
  - Notification
  - Warranty
  - Installation Schedule
- Final Payment
  - Certificate of Completion
  - Requirements
  - Withholding
  - Subcontractor Payment

# SCHEDULE OF VALUES



### Schedule of Values:

The Contractor allocates the entire Contract Sum among the various portions of the Work to facilitate review of Applications for Payment

The Architect uses as a basis for reviewing the Contractor's Application for Payment

Indicates the breakdown of the various portions of the Work and may include the values for:

- Labor by task
- Material by task
- The Work by phase if applicable
- Warranties
- Training
- As Builts

## SCHEDULE OF VALUES - REQUIREMENTS

*The General Conditions of the Construction Contract, Form CO-7(DGS), describe in Sections 20 and 36 the requirements for completing the **Schedule of Values** and Certificate for Payment, HECO-12 (DGS Form CO-12)*

*Higher Education Capital Outlay Manual (2016) - Section 9.13 Schedule of Values and Certification for Payment*

*Construction and Professional Services Manual (2019) - 7.5.15 Schedule of Values and Certificate for Payment*

### HECO-12 (DGS Form CO-12)

*All requests for payment shall be made ~~in the ASTM Uniformat II structure~~ on the **Schedule of Values** and Certificate for Payment (Form CO-12) pages 1 and 2. Succeeding pages may be on the Form CO-12 continuation sheets or a computerized spreadsheet which is in the same format and which contains the same information. Where a computerized spreadsheet is used, one copy of the entire Schedule of Values shall be provided to the Owner in an agreed electronic format (e.g. EXCEL) with the initial request for payment.*

*CO-7 General Conditions of the Construction Contract – Section 20. Schedule of Values and Certificate for Payment*

## SCHEDULE OF VALUES - FORMAT

## HECO-12 (DGS Form CO-12)

STEP 4 - Complete PART B				Return to Main Menu		Insert New Row		Review PART B Instructions		Before pressing the "Insert New Row" button, first click on a cell highlighted in yellow. When you then press the "Insert New Row" button, a new row will be added immediately above the selected cell. <b>IMPORTANT: DO NOT EDIT OR DELETE THE LAST YELLOW ROW.</b> The last row, however, may be selected before pressing the "Insert New Row" button to enable rows to be added above it.									
DGS-30-104 ( FORM CO-12 ) (Rev. 01/16)				<b>SCHEDULE OF VALUES AND CERTIFICATE FOR PAYMENT</b>										<b>PAYMENT REQUEST NO.</b>		<b>1</b>			
<b>PART B</b> <b>ORIGINAL CONTRACT LINE ITEMS</b>				PROJECT CODE: 0.00 AGENCY NAME: 0 PROJECT TITLE: 0										PERIOD BEGINNING DATE: 01/00/1900		PERIOD ENDING DATE: 01/00/1900			
ITEM NO.	BUILDING ELEMENT	ADDITIONAL DESCRIPTION	TOTAL VALUE	VALUE OF WORK COMPLETED			PERCENT COMPLETE	LINE ITEM RETAINAGE (PERCENT)	LINE ITEM RETAINAGE AMOUNT	VENDOR NAME	Micro	Small	Woman	Minority	Dis Vet	DSBSD CERTIFICATE NUMBER			
				PREVIOUS VALUE TO DATE	VALUE THIS REPORT	CURRENT VALUE TO DATE													
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# SCHEDULE OF VALUES - FORMAT

## Schedule of Values e-Builder Process

Instance Details - Google Chrome

app-e-builder.net/da2/Processes/InstanceDetails.aspx?InstanceID={299aef89-2b75-45ef-98e6-bdace043c605}&InstanceStepID={c0a38d5c-2892-4057-961c-856757360bda}

Builder

a valuable ecosystem

Like

?

Construction Schedule of Values (SOVC) - 1

Print Copy Comment Cancel

Project: Hylton Performing Arts Center Addition

Process Document: SOVC - 1

Current Workflow Step: Finish Show Workflow Diagram

Subject: SOV Breakdown For James G Davis Construction Corporation

Status: Approved

Project Number: 18011-000

Overall Due Date:

Step Due Date:

Details

Comments (0)

Attached Documents (0)

Attached Processes (0)

Attached Forms (0)

Attached To (0)

Commitment Change Details

Commitment: EP2841401 - Contract to James G Davis Construction Corporation for Construction Services

Status: Approved

Created: 09.06.2018 (Yousina Abdelmaks)

Date Of Change: 09.06.2018

Company: James G Davis Construction Corporation

Approved: 09.07.2018 (Mike Herman)

Reason Code: SOV (Allowance) (Original)

Allowance Item: 001 - Construction Costs

Commitment Change Custom Fields

There are no commitment change custom fields.

Commitment Change Items

#	Commitment Item	Description	Budget Line Item	Retainage Percent	Current Commitment Amount	Change Amount	Custom Fields
002	002	01 General Conditions	10-1010	5.00	1,079,334.00	1,079,334.00	
003	003	02 Slewwork	10-1010	5.00	1,246,130.00	1,246,130.00	
004	004	03 Concrete	10-1010	5.00	\$51,639.00	\$51,639.00	
005	005	04 Masonry	10-1010	5.00	795,000.00	795,000.00	
006	006	05 Metals	10-1010	5.00	473,000.00	473,000.00	
007	007	06 Wood	10-1010	5.00	124,893.00	124,893.00	
008	008	07 Thermal and Moisture Protection	10-1010	5.00	630,020.00	630,020.00	
009	009	08 Doors and Windows	10-1010	5.00	621,819.00	621,819.00	
010	010	09 Finishes	10-1010	5.00	914,726.00	914,726.00	
011	011	10 Specialties	10-1010	5.00	339,476.00	339,476.00	
012	012	11 Equipment	10-1010	5.00	360,950.00	360,950.00	
013	013	12 Furnishings	10-1010	5.00	48,046.00	48,046.00	
Total					11,059,752.00	0.00	

\* Allowance Item

Cost Summary | Commitment Details

Print Copy Cancel

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### Phasing

*Where the total project has multiple parts or phases, the Contractor shall prepare appropriate schedules of values to facilitate reviews and justifications for payments.*

*CO-7 General Conditions of the Construction Contract – Section 20. Schedule of Values and Certificate for Payment*

### Stored Materials

*If the Contractor requests, or intends to request, payment for materials stored in an approved and secure manner, the Schedule of Values must indicate the amount for labor and the amount for materials, and in a supplement thereto must include an itemized list of materials for that trade or Work section.*

*The material breakdown shall be in sufficient detail to allow verification of the quantities required for the Project, the quantities delivered, the Work completed, and the quantities stored on or off Site.*

*CO-7 General Conditions of the Construction Contract – Section 20. Schedule of Values and Certificate for Payment*

To qualify for payment stored materials must be specific to the Mason Project and fabricated for that purpose – e.g. cast stone trim manufactured specifically for a Mason project would qualify whereas a generic cast stone element or the raw ingredients of cast stone: cement and fine and coarse aggregates would not.

### Contractor

*Before submittal of the first partial payment request under the Contract, the Contractor shall prepare for review and approval of the Architect/Engineer and the Owner, a schedule of the estimated values listed by trades or by specification sections of the Work, totaling the Contract Price.*

*CO-7 General Conditions of the Construction Contract – Section 20. Schedule of Values and Certificate for Payment*

### Architect/Engineer (A/E)

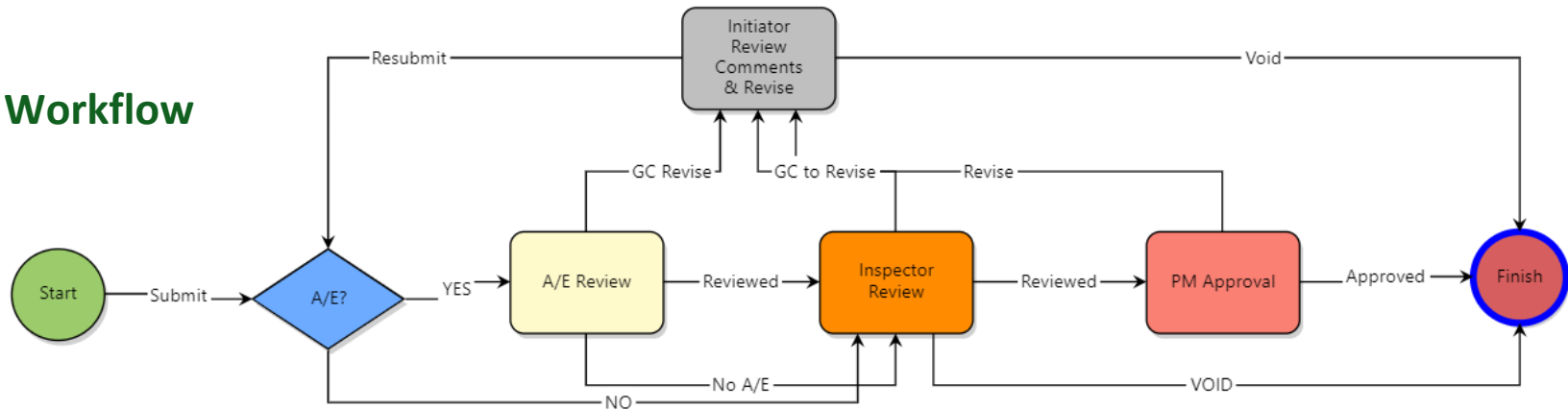
*The A/E, as part of Basic Services, is required to review and approve the format and breakdown of the initial Schedule of Values. . .*

*Higher Education Capital Outlay Manual (2016) - Section 9.13 Schedule of Values and Certification for Payment*

*Construction and Professional Services Manual (2019) - 7.5.15 Schedule of Values and Certificate for Payment*

## SCHEDULE OF VALUES - PROCESS

### Workflow



1. Contractor enters Schedule of Values data in e-Builder and submits
2. IF A/E, A/E reviews and selects either “Approve” or (Contractor) “Revise & Resubmit”
3. IF “Approved” or IF no A/E, Inspector reviews and selects either “Approve” or (Contractor) “Revise & Resubmit”
4. IF “Approved”, Project Manager reviews and selects either “Approve” or (Contractor) “Revise & Resubmit”

## SCHEDULE OF VALUES - TAKEAWAYS

Schedule of Values must:

1. Provide a cost breakdown totaling the amount of the Contract
2. Be broken down into a sufficient level of detail to allow the A/E to verify the work completed (e.g. labor by task, material by task, phasing, etc.)
- ~~3. Be in ASTM Uniformat II~~
4. Facilitate review as appropriate for projects with multiple parts or phases
5. Indicate the amount for labor and the amount for materials and in a supplement thereto include an itemized list of materials for that trade or Work section, if the Contractor intends to request, payment for materials stored
6. Be submitted by the Contractor for review and approval of the Architect / Engineer and the Owner before submittal of the first payment request under the Contract

# CERTIFICATE FOR PAYMENT



## CERTIFICATE FOR PAYMENT –PURPOSE

Certificate for Payment:

Allows the Contractor to apply for payment

Allows the Architect to certify the payment due

Indicates the status of the contract sum to date, including:

- the total dollar amount of the work completed and stored to date
- the amount of retainage
- the total of previous payments
- a summary of change orders\*
- the amount of current payment requested

*\*Note: Change orders cannot be billed until a CO-11 has been executed.  
A FCO does not allow for payment unless it is authorizing the use of a contingency or allowance already within the GC's/CM's original contract.*



*The General Conditions of the Construction Contract, Form CO-7(DGS), describe in Sections 20 and 36 the requirements for completing the Schedule of Values and **Certificate for Payment**, HECO-12 (DGS Form CO-12)*

*Higher Education Capital Outlay Manual (2016) - Section 9.13 Schedule of Values and Certification for Payment*

*Construction and Professional Services Manual (2019) - 7.5.15 Schedule of Values and Certificate for Payment*

### Owner

*Unless otherwise provided in the Contract, the Owner will make partial payments to the Contractor on the basis of a duly certified and approved Schedule of Values and Certificate for Payment, Form CO-12, showing the estimate of the Work performed during the preceding calendar month or work period, as recommended by the Architect/Engineer.*

*CO-7 General Conditions of the Construction Contract – Section 36 Payments to Contractor*

### Contractor

*The "Value of Work Completed" portion of the Form CO-12 (HECO-12) shall be completed, the Contractor's certification completed and signed, and the appropriate substantiating material attached to each Certificate for Payment (HECO-12).*

*Such substantiating material includes, but is not limited to, invoices for materials, delivery tickets, time sheets, payroll records, daily job logs/records, and similar materials which, in the opinion of the Owner and the A/E, are necessary or sufficient to justify payment of the amount requested.*

*CO-7 General Conditions of the Construction Contract – Section 20. Schedule of Values and Certificate for Payment*

### Contractor

*The HECO-12 submission is required to be made within the University's web-based project management software, e-builder.*

*Directions on this process can be found at the following link:*

<https://gmufacilities.freshdesk.com/support/solutions/folders/33000208553>

*Higher Education Capital Outlay Manual (2016) - Section 9.13 Schedule of Values and Certification for Payment*

### Architect

*The A/E, as part of Basic Services, is required to review and approve the format and breakdown of the initial Schedule of Values and to review, evaluate, verify, and approve the Contractor's monthly submittal of the HECO-12 documentation requesting payment.*

*Higher Education Capital Outlay Manual (2016) - Section 9.13 Schedule of Values and Certification for Payment*

### Architect

*Based on the periodic observations at the site and on the Contractor's Schedule of Values and Certificate for Payment (CO-12), the A/E shall determine the amount owed the Contractor, shall mark the application as necessary, and shall issue the Certificate for Payment to the Owner with recommended amounts for payment shown.*

*Construction and Professional Services Manual (2019) - 7.5.15 Schedule of Values and Certificate for Payment*

### Architect

*When evaluating the Contractor's Form CO-12, the Architect/Engineer will consider the value of the Work in place, the value of approved and properly stored materials, the status of the Work on the critical path with regard to the Time for Completion, and the estimated value of the Work necessary to achieve Final Completion.*

*CO-7 General Conditions of the Construction Contract – Section 36 Payments to Contractor*

### Architect

*Where the amount recommended for payment differs from the amount requested on the Contractor's Application, a copy of the marked Schedule of Values and Certificate of Payment shall be furnished to the Contractor.*

*The issuance of a Certificate of Payment shall constitute a representation by the Architect/Engineer to the Owner that the Contractor is entitled to payment in the amount indicated.*

*By issuing a Certificate of Payment (Form CO-12), the A/E shall not be responsible for making any examination to ascertain how and for what purpose the Contractor has used the monies paid on account of the contract sum.*

*Construction and Professional Services Manual (2019) - 7.5.15 Schedule of Values and Certificate for Payment*



### Inspector

#### *The Inspector:*

- *Assists A/E to verify accuracy of HECO- 12 quantities.*
- *Compares work progress to scheduling.*
- *Notifies A/E and University of Contractor's failure to comply with schedule*
- *Verifies Contractor time and materials for change orders and unit prices*
- *Advises University and A/E if separate Contracts are being executed*

*Higher Education Capital Outlay Manual (2016) - Appendix N Duties of the Project Inspector*

### Inspector

*The Inspector shall:*

- *review each certificate and application for payment*
- *advise the Architect and Owner whether they accurately represent progress of the work and values of each line item in the Schedule of Values*
- *verify that stated quantities of stored materials are accurate*
- *make recommendations to the Owner and Architect to approve or to revise the Certificate and application for payment based on such review and verification*

*Construction and Professional Services Manual (2019) – Appendix N Project Inspection*

### Determining Value of Work Completed & Stored to Date

*The labor progress for any task or activity shall be calculated based upon the percentage of Work complete up to fifty percent (50%) of the completion of the task or activity. Thereafter, the evaluation of labor progress will be based upon the effort required to complete that task or activity.*

*The material progress shall be calculated as the invoiced dollar cost of materials used in relationship to the amount estimated as necessary to complete a particular element of Work.*

*When calculating material progress, credit shall be given for installed material as well as that stored on the Site and any material stored off Site which has been certified by the Architect/Engineer in accordance with Section 36 of these General Conditions.*

*CO-7 General Conditions of the Construction Contract – Section 20. Schedule of Values and Certificate for Payment*

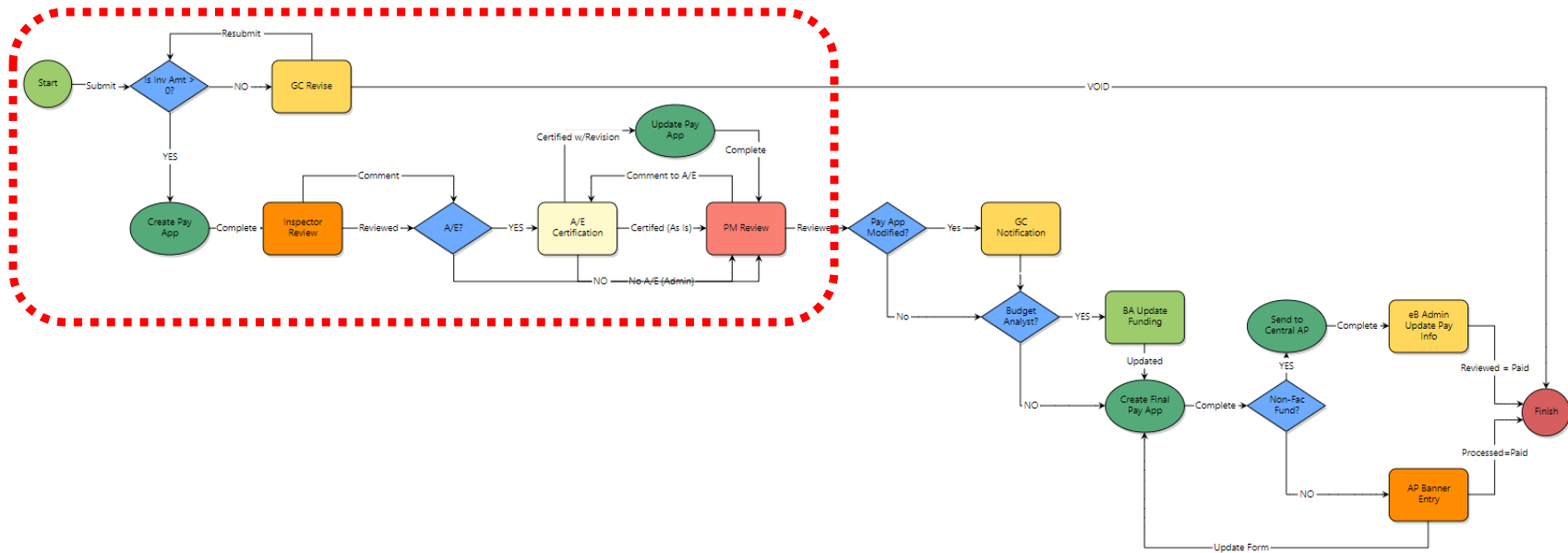
### Determining Value of Work Completed & Stored to Date

*Should Work included in previous Form CO-12 submittals, and for which payment has been made, subsequently be identified, by tests, inspection, or other means, as not acceptable or not conforming to Contract requirements, the "Value of Work Completed" portion of the first Form CO-12 submitted after such identification shall be modified to reduce the "completed" value of that Work by deleting the value of that which has been identified as not acceptable or nonconforming.*

*CO-7 General Conditions of the Construction Contract – Section 20. Schedule of Values and Certificate for Payment*

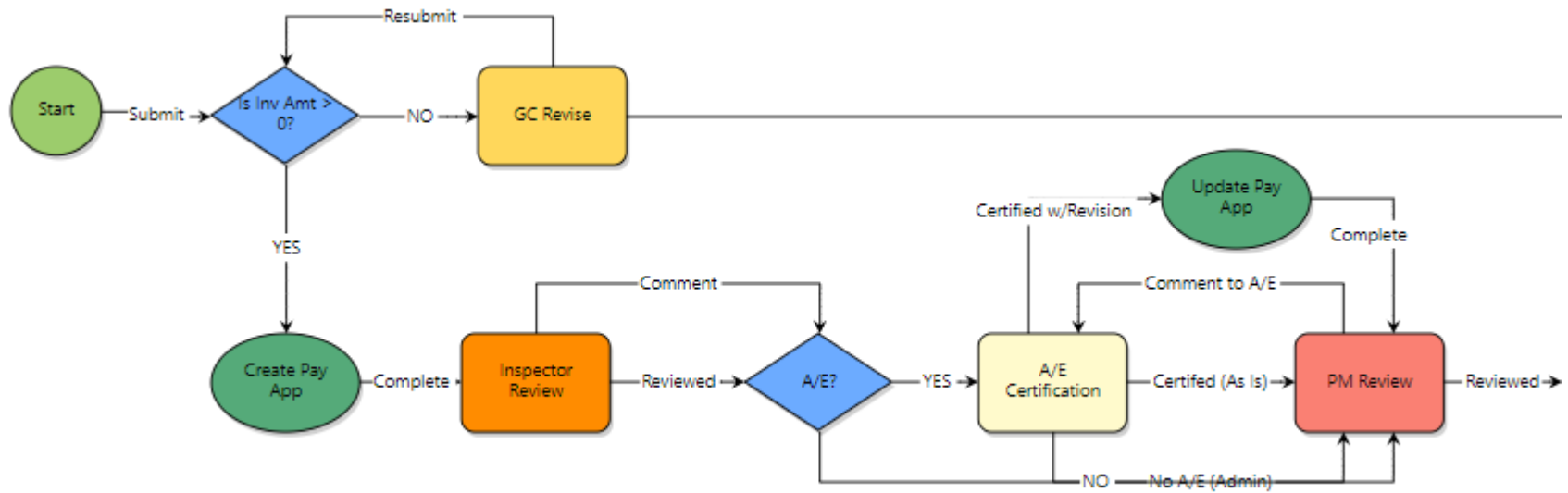
# CERTIFICATE FOR PAYMENT - PROCESS

## Workflow



## CERTIFICATE FOR PAYMENT - PROCESS

### Workflow



## Monthly Pay Meeting

*The Architect/Engineer will schedule a monthly pay meeting to occur no earlier than the 25th day of the month represented by the payment request or not later than the 5th day of the following month.*

*CO-7 General Conditions of the Construction Contract – Section 36 Payments to Contractor*

### Monthly Pay Meeting – cont'd

*The Contractor shall submit his monthly estimate of Work completed on Form CO-12 in accordance with the Contract between the Owner and Contractor so that it is received by the Architect/Engineer and the Owner's Project Manager at least one work day prior to the date scheduled by the Architect/Engineer for the monthly pay meeting.*

*CO-7 General Conditions of the Construction Contract – Section 36 Payments to Contractor*



### Monthly Pay Meeting – cont'd.

The Owner will review the estimate with the Architect/Engineer and the Contractor at the monthly pay meeting, which shall be considered the receipt date, and may approve any or all of the estimate of Work for payment. In preparing estimates, the material delivered to the Site and preparatory Work done shall be taken into consideration, if properly documented as required by Section 20 of these General Conditions, or as may be required by the Architect/Engineer so that quantities may be verified.

*CO-7 General Conditions of the Construction Contract – Section 36 Payments to Contractor*

### Payments to Contractor

*Unless there is a dispute about*

- *the compensation due to the Contractor*
- *Defective Work*
- *quality of the Work*
- *compliance with the Contract Documents*
- *completion itself*
- *claims by the Owner*
- *other matters in contention between the parties or*
- *unless monies are withheld pursuant to the Comptroller's Debt Setoff Program,*

*within thirty (30) days after receipt and acceptance of the Schedule of Values and Certificate for Payment (Form CO-12) in proper form by the Architect/Engineer at the monthly pay meeting, which shall be considered the receipt date, the Owner shall pay to the Contractor the amount approved by the Architect/Engineer, less all prior payments and advances whatsoever to or for the account of the Contractor.*

*CO-7 General Conditions of the Construction Contract – Section 36 Payments to Contractor*

### Defects & improprieties

*All prior estimates and payments including those relating to extra Work may be corrected and adjusted in any payment and shall be corrected and adjusted in the Final Payment.*

*In the event that any request for payment (CO-12) by the Contractor contains a defect or impropriety, the Owner shall notify the Contractor of any defect or impropriety which would prevent payment by the Payment Date, within five (5) days after receipt of the Schedule of Values and Certificate for Payment (Form CO-12) by the Owner from the Architect/Engineer.*

*CO-7 General Conditions of the Construction Contract – Section 36 Payments to Contractor*

### Disputes

*In the event of disputes, payment shall be mailed on or before the Payment Date for amounts and Work not in dispute, subject to any set offs claimed by the Owner;*

*provided, however in instances where further appropriations are required by the General Assembly or where the issuance of further bonds is required, in which case, payment shall be made within thirty (30) days after the effective date of such appropriation or within thirty (30) days after the receipt of bond proceeds by the Owner.*

*CO-7 General Conditions of the Construction Contract – Section 36 Payments to Contractor*

## CERTIFICATE FOR PAYMENT – REQUIREMENTS FOR PAYMENT

**No** payment shall be made to the Contractor until:

*The Contractor furnishes to the Owner its Social Security Number (SSN) if an individual, or its Federal Employer Identification Number (FEIN) if a proprietorship, partnership, corporation or other legal entity.*

*Certificates of Insurance or other satisfactory evidence of compliance by the Contractor with all the requirements of Section 11 (and Section 12 if applicable) of these General Conditions have been delivered to the Owner.*

*Copies of any certificates of insurance required of a Subcontractor under Section 11 have been delivered to the Owner for payments based on Work performed by a Subcontractor.*

*The Contractor has*

*(i) submitted a preliminary schedule which is acceptable to the Owner in accordance with Section 19(a)*

*(ii) submitted a fully complete Project schedule accepted by the Owner in accordance with Section 19(a)*

*(iii) maintained the monthly bar graphs or status reports required by Section 19(d) or*

*(iv) provided a recovery schedule pursuant to Section 19(e)*

*As each of them may be required*

*CO-7 General Conditions of the Construction Contract – Section 36 Payments to Contractor*

### Amount

*In making such partial payments, five percent (5%) of each payment to the Contractor shall be retained until Final Completion and acceptance of all Work covered by the Contract, unless otherwise provided by any law, regulation or program of the federal government.*

*CO-7 General Conditions of the Construction Contract – Section 36 Payments to Contractor*

### Purpose

*Such retainage shall be held to assure faithful performance of the Contract and may also be used as a fund to deduct amounts due to or claimed by the Owner, including, but not limited to, payment to the Owner of all moneys due for deductive change orders, credits, uncorrected Defective Work, interest, damages, and the like. ( § 2.2-4333 of the Code of Virginia)*

*CO-7 General Conditions of the Construction Contract – Section 36 Payments to Contractor*

### Early Release

~~The Owner may, at its sole discretion, agree on an item by item basis to release the retainage on items which are fully 100% complete and which have accepted by the Owner as being tested and complete and on which no further action or work will be required. Retainage which is released by the Owner shall be distributed by the Contractor in conformance with Section 37 of these General Conditions.~~

CO-7 General Conditions of the Construction Contract – Section 36 Payments to Contractor



## Contractor Responsibility

*No certificate for payment issued by the Architect/Engineer, and no payment, final or otherwise, no certificate of completion, nor partial or entire use or occupancy of the Work by the Owner, shall be an acceptance of any Work or materials not in accordance with the Contract, nor shall the same relieve the Contractor of responsibility for faulty materials or Defective Work or operate to release the Contractor or his Surety from any obligation under the Contract, the Standard Performance Bond and the Standard Labor and Material Payment Bond.*

*CO-7 General Conditions of the Construction Contract – Section 36 Payments to Contractor*

## Ownership & Responsibility

*All material and Work for which partial payments are made shall thereupon become the sole property of the Owner, but this provision shall not relieve the Contractor from the sole responsibility for all materials and Work, including those for which payment has been made, or for the restoration of any damaged materials or Work. Nor shall this provision serve as a waiver of the right of the Owner to require the fulfillment of all of the terms and conditions of the Contract.*

*CO-7 General Conditions of the Construction Contract – Section 36 Payments to Contractor*

## Stored Materials Off Site

## CERTIFICATE FOR PAYMENT – STORED MATERIALS OFF SITE

*In addition to material delivered to the Site, material such as large pieces of equipment and items purchased specifically for the Project, but stored off the Site within the Commonwealth of Virginia, may be considered for payment, provided all of the following are accomplished prior to the submission of the monthly payment request in which payment for such materials is requested:*

*CO-7 General Conditions of the Construction Contract – Section 36 Payments to Contractor*

## Requirement: Schedule of Values

*The Schedule of Values must be detailed to indicate separately both the value of the material and the labor/installation for trades requesting payment for stored materials.*

*CO-7 General Conditions of the Construction Contract – Section 36 Payments to Contractor*

## Requirement: Notification

*The Contractor must notify the Owner in writing, at least ten (10) days prior to the submission of the payment request, through the Architect/Engineer, that specific items will be stored off Site in a designated, secured place within the Commonwealth of Virginia.*

*CO-7 General Conditions of the Construction Contract – Section 36 Payments to Contractor*

## Requirement: Notification

*Such notification, as well as the payment request, shall:*

- (a) Itemize the quantity of such materials and document with invoices showing the cost of said materials;*
- (b) Indicate the identification markings used on the materials, which shall clearly reference the materials to the particular project;*
- (c) Identify the specific location of the materials, which must be within reasonable proximity to the Site and within the Commonwealth of Virginia;*
- (d) Include a letter from the Contractor's Surety which confirms that the Surety on the Performance Bond and the Labor and Material Payment Bond has been notified of the request for payment of materials stored off the Site and agrees that the materials are covered by the bond; and*
- (e) Include a certificate of all-risk builder's risk insurance in an amount not less than the fair market value of the materials, which shall name the Owner and the Contractor as co-insureds.*

## Requirement: Warranty

*By giving such notification and by requesting payment for material stored off Site, the Contractor warrants that the storage location is safe and suitable for the type of material stored and that the materials are identified as being the property of the Contractor, and agrees that loss of materials stored off the Site shall not relieve the Contractor of the obligation to timely furnish these types and quantities of materials for the Project and meet the Time for Completion or Contract Completion Date, subject to Section 43 (b) of these General Conditions.*

*CO-7 General Conditions of the Construction Contract – Section 36 Payments to Contractor*



## Submittal Review (Architect)

*The Architect/Engineer shall indicate, in writing, to the Owner that Submittals for such materials have been reviewed and meet the requirements of the Contract Documents, that the stored materials meet the requirement of the plans and specifications, and that such materials conform to the approved Submittals. Should the A/E deem it necessary to visit the storage site to make such review, the Contractor shall bear the costs incurred therewith.*

*CO-7 General Conditions of the Construction Contract – Section 36 Payments to Contractor*

## Notification to Prepay (Owner)

The Owner, through the Architect/Engineer, shall notify the Contractor in writing of its agreement to prepayment for such materials.

*CO-7 General Conditions of the Construction Contract – Section 36 Payments to Contractor*

## **Notification: Shipment and Delivery (Contractor)**

The Contractor shall notify the Owner in writing, through the Architect/Engineer, when the materials are to be transferred to the Site and when the materials are received at the Site.

*CO-7 General Conditions of the Construction Contract – Section 36 Payments to Contractor*

## Travel Reimbursement

*If the storage location is more than 20 miles from the Site, the Contractor may be required to reimburse the Owner for the cost incurred for travel to the storage location to verify the Contractor's request for payment for materials stored off Site.*

*CO-7 General Conditions of the Construction Contract – Section 36 Payments to Contractor*

## Installation Schedule Requirements for Payment

*Payment will not be made for materials or equipment stored on or off the Site which are not scheduled for incorporation into the Work within the six months next following submission of the request for payment, unless the Contractor has the prior consent of the Owner, which consent may be granted or withheld by the Owner in its discretion if, in the opinion of the Owner, it is not necessary to procure the materials more than six months in advance of use to assure their availability when needed.*

*CO-7 General Conditions of the Construction Contract – Section 36 Payments to Contractor*

## Supplementary Agreement – Out of State Storage

*A Supplementary Agreement shall be required for payment by the Owner to the Contractor for materials or equipment that is stored offsite at a location that is not within the Commonwealth of Virginia.*

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*Refer to DGS Forms Center for a sample format for a Supplementary Agreements for off-site storage of materials or equipment away from the general location of the Project. (Form DGS- 30-370.)*

*Higher Education Capital Outlay Manual (2016) - Section 9.13 Schedule of Values and Certification for Payment*

# CERTIFICATE FOR PAYMENT

## Final Payment

## Certificate of Completion

*Upon successful completion of the final inspection and all Work required by the Contract, including but not limited to*

- the delivery of As-Built drawings*
- equipment manuals*
- written warranties*
- acceptance of the Work by the Owner*
- the delivery of the affidavits required in Section 36(f) of these General Conditions*

*the Architect/Engineer shall deliver the written Certificate of Completion by the Architect/Engineer (Form CO-13.1) to the Owner, with a copy to the Contractor, stating the entire amount of Work performed and compensation earned by the Contractor, including extra work and compensation therefor.*

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### Requirements

*In the case of Final Payment,*

- *the completed Affidavit of Payment of Claims (Form CO-13),*
- *the Certificate of Completion by the Contractor (Form CO-13.2)*
- *the Certificate of Completion by the Architect/Engineer (Form CO-13.1)*

*shall accompany the final Schedule of Values and Certificate for Payment (Form CO-12) which is forwarded to the Owner for payment.*

*The date on which payment is due shall be referred to as the Payment Date.*

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### Requirements

*The Final Payment, which shall include the retainage, less any amounts due to or claimed by the Owner, shall not become due until:*

- *the Architect/Engineer and the Owner agree that Final Completion has been achieved*
- *the Contractor shall deliver to the Owner through the Architect/Engineer*
  - *a Certificate of Completion by the Contractor (Form CO-13.2)*
  - *an Affidavit of Payment of Claims (Form CO-13),*  
*stating that all Subcontractors and Suppliers of either labor or materials have been paid all sums claimed by them for Work performed or materials furnished in connection with this Project less retainage.*

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### Withholding

*Amounts due the Owner which may be withheld from the Final Payment may include, but are not limited to, amounts due pursuant to*

- *Section 3(i) Laws & Regulations: Lead Based Paint*
- *Section 16(a)-(d) Inspection: inspections and testing*
- *Section 31(d) Use of Site and Removal of Debris*
- *costs incurred to repair or replace Defective Work*
- *costs incurred as a result of the Contractor's negligent acts or omissions or omissions of those for whom the Contractor is responsible*
- *delay damages under Section 43(h)*
- *any liquidated or actual damages*

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## Subcontractor Payment

*If all Subcontractors and Suppliers of labor and materials have **not** been paid the full amount claimed by them, the Contractor shall list each to which an agreed amount of money is due or which has a claim in dispute.*

*With respect to all such Subcontractors and Suppliers, the Contractor shall provide to the Owner, along with the Affidavit of Payment of Claims (Form CO-13), an affidavit from each such Subcontractor and Supplier stating*

- the amount of their subcontract or supply contract*
- the percentage of completion*
- the amounts paid to them by the Contractor and the dates of payment*
- the amount of money still due if any*
- any interest due the Subcontractor or Supplier pursuant to Section 37(b) below*
- and whether satisfactory arrangements have been made for the payment of said amounts*

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## Subcontractor Payment – cont'd.

*If no agreement can be reached between the Contractor and one or more Subcontractors or Suppliers as to the amounts owed to the Subcontractors or Suppliers, the Owner may, in its discretion, pay such portion of the moneys due to the Contractor which is claimed by the Subcontractor or Supplier into a Virginia Court or Federal Court sitting in Virginia, in the manner provided by law.*

*Said payment into court shall be deemed a payment to the Contractor.*

*Nothing in this Section shall be construed as creating any obligation or contractual relationship between the Owner and any Subcontractor or Supplier, and the Owner shall not be liable to any Subcontractor or Supplier on account of any failure or delay of the Owner in complying with the terms hereof.*

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## Small Business Procurement Plan

*Before Final Payment is made, the Owner shall confirm that the Contractor has certified compliance with the contract's small business procurement plan by providing a report in accordance with DSBSD's requirements.*

*If there are variances between the Contractor's required small business procurement plan and the actual participation, the Contractor shall provide a written explanation which shall be kept with the contract file and made available upon request.*

*The Owner, in its sole discretion, may withhold the Final Payment until the Contractor is in compliance with its small business procurement plan.*

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## Occupancy during Claims

*The Owner may accept the Work for occupancy or use while asserting claims against the Contractor disputing*

- *the amount of compensation due to the Contractor*
  - *the quality of the Work*
  - *completion of the Work*
  - *compliance with the Contract Documents*
- or*
- *any other reason*

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## Acceptance & Release

*The acceptance by the Contractor of the Final Payment shall be and operate as a release to the Owner of all claims by the Contractor, its Subcontractors and Suppliers, and of all liability to the Contractor whatever, including liability for all things done or furnished in connection with this Work, except for things done or furnished which are the subject of unresolved claims for which the Contractor has filed a timely written notice of intent, provided a claim is submitted no later than sixty (60) days after Final Payment.*

*Acceptance of any interest payment by the Contractor shall be a release of the Owner from claims by the Contractor for late payment.*

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THANK YOU

