

**PART 1        GENERAL**

**1.1            REFERENCES**

- .1        Owner/Contractor Agreement.
  - .1        DOC 14-2000, Design-Build Stipulated Price Contract (CCA, CSC, RAIC).
  - .2        DOC 15-2000, Design-Builder/Departmental Representative Contract (CCA, CSC, RAIC).

**1.2            APPLICATIONS FOR PROGRESS PAYMENT**

- .1        Make applications for payment on account as provided monthly in Agreement as Work progresses.
- .2        Date applications for payment last day of agreed monthly payment period and ensure amount claimed is for value, proportionate to amount of Contract, of Work performed and Products delivered to Place of Work at that date.
- .3        Submit to Departmental Representative, at least 14 days before first application for payment. Schedule of values for parts of Work, aggregating total amount of Contract Price, to facilitate evaluation of applications for payment.

**1.3            SCHEDULE OF VALUES**

- .1        Include statement based on schedule of values with each application for payment.
- .2        Support claims for products delivered to Place of Work but not yet incorporated into Work by such evidence as Departmental Representative may reasonably require to establish value and delivery of products.

**1.4            PREPARING SCHEDULE OF UNIT PRICE TABLE ITEMS**

- .1        Submit separate schedule of unit price items of Work requested in Bid form.
- .2        Make form of submittal parallel to Schedule of Values, with each line item identified same as line item in Schedule of Values. Include in unit prices only:
  - .1        Cost of material.
  - .2        Delivery and unloading at site.
  - .3        Sales taxes.
  - .4        Installation, overhead and profit.
- .3        Ensure unit prices multiplied by quantities given equal material cost of that item in Schedule of Values.

## **1.5 PROGRESS PAYMENT**

- .1 Departmental Representative will issue to Owner, no later than ten (10) days after receipt of an application for payment, certificate for payment in amount applied for or in such other amount as Departmental Representative determines to be due. If Departmental Representative amends application, Departmental Representative will give notification in writing giving reasons for amendment.

## **1.6 SUBSTANTIAL PERFORMANCE OF WORK**

- .1 Prepare and submit to Departmental Representative comprehensive list of items to be completed or corrected and apply for a review by Departmental Representative to establish Substantial Performance of Work or substantial performance of designated portion of Work when Work is substantially performed if permitted by lien legislation applicable to Place of Work designated portion which Owner agrees to accept separately is substantially performed. Failure to include items on list does not alter responsibility to complete Contract.
- .2 No later than ten (10) days after receipt of list and application, Departmental Representative will review Work to verify validity of application, and no later than seven (7) days after completing review, will notify Contractor if Work or designated portion of Work is substantially performed.
- .3 Departmental Representative: state date of Substantial Performance of Work or designated portion of Work in certificate.
- .4 Immediately following issuance of certificate of Substantial Performance of Work, in consultation with Departmental Representative, establish reasonable date for finishing Work.

## **1.7 PAYMENT OF HOLDBACK UPON SUBSTANTIAL PERFORMANCE OF WORK**

- .1 After issuance of certificate of Substantial Performance of Work:
  - .1 Submit application for payment of holdback amount.
  - .2 Submit sworn statement that accounts for labour, subcontracts, products, construction machinery and equipment, and other indebtedness which may have been incurred in Substantial Performance of Work and for which Owner might in be held responsible have been paid in full, except for amounts properly retained as holdback or as identified amount in dispute.
- .2 After receipt of application for payment and sworn statement, Departmental Representative will issue certificate for payment of holdback amount.
- .3 Where holdback amount has not been placed in a separate holdback account, Owner shall, ten (10) days prior to expiry of holdback period stipulated in lien legislation applicable to Place of Work, place holdback amount in bank account in joint names of Owner and Contractor.
- .4 Amount authorized by certificate for payment of holdback amount is due and payable on day following expiration of holdback period stipulated in lien legislation applicable to Place of Work. Where lien legislation does not exist or apply, holdback amount is due and payable in accordance with other legislation, industry practice, or provisions which may be agreed to between parties. Owner may retain out of holdback amount sums required by law to satisfy liens against Work or, if permitted by lien legislation applicable to Place of Work, other third party monetary claims against Contractor which are enforceable against Owner.

**1.8 PROGRESSIVE RELEASE OF HOLDBACK**

- .1 Where legislation permits, if Departmental Representative has certified that Work of subcontractor or supplier has been performed prior to Substantial Performance of Work, Owner shall pay holdback amount retained for such subcontract Work, or products supplied by such supplier, on day following expiration of holdback period for such Work stipulated in lien legislation applicable to Place of Work.
- .2 In addition to provisions of preceding paragraph, and certificate wording, ensure that such subcontract Work or products is protected pending issuance of final certificate for payment and be responsible for correction of defects or Work not performed regardless of whether or not such was apparent when such certificates were issued.

**1.9 FINAL PAYMENT**

- .1 Owner shall submit application for final payment when Work is completed.
- .2 Departmental Representative will, no later than ten (10) days after receipt of application for final payment, review Work to verify validity of application. Departmental Representative will give notification that application is valid or give reasons why it is not valid, no later than seven 7 days after reviewing Work.
- .3 Departmental Representative will issue final certificate for payment when application for final payment is found valid.

**END OF SECTION**