

## 916 – Contractor Application for Payment

**916.1 Schedule of Values:** The Schedule of Values is a zero-dollar invoice that outlines the labor and material components of the Contract amount, usually by specification division. After approval by the Contractor, Architect-Engineer, and Division of Contracting and Administration, this document becomes the basis for all Applications for Payment. The Schedule of Values must be completed and approved prior to the submittal of the first Application for Payment.

**916.2 Applications for Payment:** Payment to the Contractor will be made either in one lump sum payment upon Final Completion or periodic payments where the Contractor applies for partial payment for Work completed to a specified date.

The Contractor may present the Architect-Engineer with a draft copy of the Application for Payment for work performed and/or materials furnished during the preceding month. This draft copy should be submitted for review prior to the Progress Meeting. This will facilitate the review of the Application for Payment at the Project Progress Meeting.

**916.3 Routing Procedures:** The procedures for routing the Application for Payment include the following:

- Contractor shall complete the form and sign.
- Architect-Engineer shall review and sign the Application for Payment.
- Architect-Engineer shall ensure that Sub-consultants have reviewed and approved the appropriate items in the Application for Payment.
- A bar chart shall be attached to the Application for Payment showing both planned and actual progress. This chart shall be submitted with each Application for Payment.

In accordance with the provisions of the General Conditions, the Contractor for a Project may submit one (1) payment application in each thirty-calendar day period.

**916.4 Application for Payment Forms:** The Commonwealth of Kentucky Application for Payment forms shall be used.

- **See Section 916.7 for the SAS-25 Invoice and Receiving Report for Technical Services and Construction Contracts** – An example of the short form Application for Payment for Projects less than \$400,000.
- **See Section 916.8 for the DOA-24 Invoice - Progress Payments for Capital Construction** - An example of the long form Application for Payment for Projects greater than \$400,000.
- **See Section 916.9 for the DOA-24 Invoice Continuation Sheet for Capital Construction** – An example of the Continuation Sheet for a long form Application for Payment for Projects greater than \$400,000.

The current forms and examples of how they are to be completed are also available from the Division of Engineering and Contract Administration web site at the following address:

<http://finance.ky.gov/services/stateplan/Pages/ConstructionFormsandInformation.aspx>

**916.5 Stored Materials:** The Contractor is entitled to receive payment for work completed by the date of the application, for materials stored on site and in certain instances for materials stored off site.

Payment for offsite storage requires that the following criteria be met:

- Materials are clearly marked as belonging to the Commonwealth of Kentucky and the name of the Project is clearly indicated.
- Materials are stored in a bonded warehouse, and are inspected by the Architect-Engineer, the Project Manager, or a designee from the Division of Engineering and Contract Administration.
- An insurance certificate shall be attached to the Application for Payment in the amount of the value of the stored materials.

**916.6 Retainage Reduction:** The following are excerpts from Article 18 of the General Conditions:

**18.5 Held Retainage/ Retainage Reduction.** *Until fifty percent (50%) of the construction work has been completed in accordance with the contract, the Owner may withhold no more than ten percent (10%) retainage from the amount of any undisputed payment due, and retainage held after fifty-one percent (51%) of the construction project has been completed shall not be more than five percent (5%) of the total contract amount.*

**18.5.1** *Subsequently, the Contractor shall withhold no more than ten percent (10%) retainage from the amount of any undisputed payment due to a subcontractor, and retainage held after fifty-one percent (51%) of the construction project has been completed shall not be more than five percent (5%) of the total amount contracted with a subcontractor.*

*Upon Certification of Substantial of Completion by the Architect-Engineer, the retainage may be reduced to a sufficient lump sum (cost of the work times 2) to cover the value of the punch list items.*