



# PROGRESS PAYMENTS

# Payments – Fixed Price Contracts



- Monthly progress payments
- Retainage up to 10% of payment may be held for unsatisfactory progress
  - Withholdings can be held for various reasons including safety issues, quality control, deficient work.

# Prompt Payment



- Payment due date = 14th day after acceptance of contractor pay request.
- Receive date will begin when both QCS export and signed pay request form have been received (whichever is the later)

# Progress Payments



- Acceptable invoices and payment requirements:
  - Proper payment request
  - No disagreement in quantities
  - No disagreement in quality
  - Contractor compliance w/contract requirements

# Pay Activities



- Pay Activities should be linked to:
  - Submittal Items
  - Features of Work
  - QC Requirements (Tests, User Schools, Installed and Transfer Property)

# Activities



US Army Corps  
of Engineers

## Activity Summary by CLIN

08 Feb 2009

Activity Number	Activity Description	QUANTITY	UNIT PRICE	AMOUNT
<b>CLIN 0001AA</b>	<b>Water System Mob &amp; Demob</b>	<b>1</b>	<b>\$58,772.53 / LS</b>	<b>\$58,772.53</b>
0001AA-1	Mobilization Water			\$52,895.18
0001AA-2	Demobilization Water			\$5,877.35
				\$58,772.53
<b>CLIN 0001AB</b>	<b>Waste Water Mob &amp; Demob</b>	<b>1</b>	<b>\$20,378.85 / LS</b>	<b>\$20,378.85</b>
000AB-1	Mobilization Waste Water			\$18,341.05
000AB-2	Demobilization Waste Water			\$2,037.80
				\$20,378.85
<b>CLIN 0002AA</b>	<b>Water Storage Tanks</b>	<b>2</b>	<b>\$175,438.19 / EA</b>	<b>\$350,876.38</b>
0002AA-1	Submitt & App. For Bolted Wat			\$17,543.00
0002AA-10	System Operation Test			\$12,631.00
0002AA-11	Final Inspection W/dif Correc			\$0.00
0002AA-12	Turnover to Client			\$1.37
0002AA-2	Tank Foundation Work (Storage			\$43,507.80
0002AA-3	L/C Open for Storage Tanks			\$0.00
0002AA-4	Delivery Period for 2 of 25,0			\$145,631.80
0002AA-5	Shipping (Ocean Freight)			\$12,630.94
0002AA-6	Custom Clearance & In-Land Tra			\$8,757.00
0002AA-7	Erection Wtr. Stor. Tanks			\$63,859.00
0002AA-8	Related Water Piping			\$33,332.95
0002AA-9	Water Fill Test & Adjustment			\$12,981.52
				\$350,876.38
<b>CLIN 0002AB</b>	<b>Groundwater Well &amp; Well House</b>	<b>1</b>	<b>\$109,984.20 / LS</b>	<b>\$109,984.20</b>
0002AB-1	Digging for Well & Installatio			\$38,497.20
0002AB-2	Back fill , Compaction & Strip			\$9,348.00
0002AB-3	CMU Laying W/ Bond Beam			\$27,496.00
0002AB-4	Floor Conc' pouring & Curing			\$7,148.00
0002AB-5	Roof Works			\$16,497.00
0002AB-6	Plastering for Wall			\$5,499.00
0002AB-7	Install Roof Hatch			\$5,499.00
				\$109,984.20
<b>CLIN 0002AC</b>	<b>Pre-engineered Packaged Water System</b>	<b>1</b>	<b>\$163,738.70 / LS</b>	<b>\$163,738.70</b>
0002AC-1	Submitt & App. For Packaged Wa			\$8,167.95
0002AC-2	L/C Open for Material			\$0.00
0002AC-3	Delivery Period for Packaged W			\$98,305.97
0002AC-4	Shipping (Ocean Freight)			\$10,642.98
0002AC-5	Custom Clearance & In-Land T			\$13,099.10
0002AC-6	Intall Water Pump Packages			\$25,336.70
0002AC-7	Test & Adjustment			\$8,186.00
				\$163,738.70
<b>CLIN 0002AD</b>	<b>Water Distribution Pipe</b>	<b>1</b>	<b>\$502,145.21 / LS</b>	<b>\$502,145.21</b>
0002AD-1	Trench Excavation			\$77,830.26
0002AD-2	Sand Bedding & Compaction			\$45,192.90
0002AD-3	Install of Water Pipes & Hyp.			\$198,349.00
0002AD-4	Installation of Thrust Block &			\$35,152.20
0002AD-5	Installation of Valve Boxes			\$35,150.00
0002AD-6	Disinfection & Flushing			\$25,106.97
0002AD-7	Backfill W/ Compaction			\$85,363.88
				\$502,145.21
<b>CLIN 0002AE</b>	<b>Gravity Sanitary Sewer Collection</b>	<b>1</b>	<b>\$214,325.69 / LS</b>	<b>\$214,325.69</b>

The total of all CLINs equals the Contract Amount.

Pay activities shall be grouped by Contract Line Item Number (CLIN), and the sum of the activities shall equal the amount of each CLIN.

The sum of all pay activities shall be equal to the total contract amount, including modifications.

# ACTIVITIES

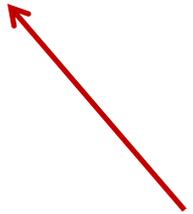


**CLIN 0001 Mobilization \$75,000**

- **ACTIVITIES**

AB101 Deliver and Set up Office	\$35,000
FTG10 Deliver and Set up Workshop	\$20,000
MAS10 Install Temporary Electric	\$10,000
RFG10 Mobilize Equipment	<u>\$10,000</u>
	<b>\$75,000</b>

**Activity Number from schedule**



# ACTIVITIES



## CLIN 0002 Site Preparation \$100,000

- **ACTIVITIES**

SW10 Remove Existing Trees	\$5,670
CG11 Clear and Grub Area	\$23,777
CF12 Grade Site- Cut/ Fill	\$47,062
RR15 Rock Removal	\$1,720
WS25 Install New Water Supply Line	\$11,046
BF30 Backfill, Compact, and Test Excavations	\$3,650
QC35 Compact and Test Area For New Building	\$2,800
UE40 Rough-In Underground Conduits	<u>\$4,275</u>

**\$100,000**

**Activity Number from schedule**

# ACTIVITIES



## ACTIVITIES THAT ARE NOT COST LOADED

**Procurement of materials**

**Delivery of materials/equipment**

**Fabrication costs**

**Administrative costs**

**submittals**

## ACTIVITIES THAT ARE COST LOADED

**Installation costs**

**Final Acceptance Tests (TAB/Commissioning)**

**Designs**

**As-Built drawings/O&M Manuals**

# Pay Request Worksheet



US Army Corps  
of Engineers

## Contractor Pay Request No. 2

08 Feb 2009

Activity Number	Description	Total Amount	Previous Paid	Requested	Allowed
<b>100001102</b>	<b>35% Design Process</b>	<b>\$92,829.00</b>	<b>75 %</b>	<b>100 %</b>	<b>_____ %</b>
Contractor	Subcontractor: Not assigned to this activity				
Government	Government Final followup inspection not held				
<b>100001103</b>	<b>35% IDR</b>	<b>\$18,565.00</b>	<b>0 %</b>	<b>100 %</b>	<b>_____ %</b>
Contractor	Subcontractor: Not assigned to this activity				
Government	Government Final followup inspection not held				
<b>100001105</b>	<b>35% Design Submittal</b>	<b>\$18,565.00</b>	<b>0 %</b>	<b>100 %</b>	<b>_____ %</b>
Contractor	Subcontractor: Not assigned to this activity				
Government	Submittal 01335 #1	35% Design Package			In review
	Government Final followup inspection not held				

<b>100002012</b>	<b>Develop/Submit QC Plan</b>	<b>\$1,220.00</b>	<b>75 %</b>	<b>100 %</b>	<b>_____ %</b>
Contractor	Subcontractor: Preparatory inspection on feature ADMIN not held				
	Submittal 01451 #1	Quality Control Plan			Not submitted
Government	Government Final followup inspection not held				
<b>100002013</b>	<b>Develop/Submit Security Plan</b>	<b>\$609.00</b>	<b>75 %</b>	<b>100 %</b>	<b>_____ %</b>
Contractor	Subcontractor: Preparatory inspection on feature ADMIN not held				
Government	Government Final followup inspection not held				
<b>100002014</b>	<b>Develop/Submit Activity Hazard</b>	<b>\$609.00</b>	<b>75 %</b>	<b>100 %</b>	<b>_____ %</b>
Contractor	Subcontractor: Preparatory inspection on feature ADMIN not held				
Government	Government Final followup inspection not held				
<b>100002016</b>	<b>Develop/Submit Construction Sc</b>	<b>\$615.00</b>	<b>75 %</b>	<b>100 %</b>	<b>_____ %</b>
Contractor	Subcontractor: Preparatory inspection on feature ADMIN not held				
Government	Submittal 01 32 01.00 10 #1	Preliminary Schedule			In review
	Government Final followup inspection not held				
<b>100002017</b>	<b>Develop/Submit Submittal Regis</b>	<b>\$609.00</b>	<b>0 %</b>	<b>100 %</b>	<b>_____ %</b>
Contractor	Subcontractor:				

This form is reviewed with the government prior to acceptance of the pay request

# Subcontractors



- The prime contractor is required to list all subcontractors in QCS and include the amount of the contract.
- Part of the certification on the monthly pay request ensures that you are paying your subcontractors fairly.

# Subcontractors



- The Corps of Engineers will not tolerate non payment to subcontractors and to workers.
- Violation of this requirement will result in an unsatisfactory evaluation and no more work for the government.

# Adding Subcontractors



QCS Contract Menu - [N0001981] TRNING PROJ 02 NA Champion Technical Training Center

File Options Help

Home Administration Quality Control Submittals Import/Export Overview Reports

### Administration - Subcontractors

[Contract Description](#)  
[Action Items](#)  
[Prime Contractor](#)  
[Subcontractors](#)  
[Correspondence](#)  
[Request for Information](#)  
[Pay Activities](#)  
[Progress Payments](#)

Add Edit Delete Find

Responsibility Code	Contractor Name	Trade	Amount Subcontracted
HVAC	Air Plus	H/C Units	\$5,000.00
KTR	Top Notch KTR	Prime Contractor	\$100,000.00

# Pay Request



Prompt Payment Certification And Supporting Data For Contractor Payment Invoice				Page 1 of 2 pages
(1) Contract No.: [REDACTED]		(2) Location and Description of Work: Kabul, Afghanistan		(3) Estimate No.: 5
				(4) Invoice Date: 01/21/2009
(5) Contractor Official (name and address) to whom payment is to be sent: <b>Your Company Here</b>			(6) Discount Terms: 0 Days 0 Percent	
(7) If Notice of Assignment has been filed, enter name of Assignee to whom payment is to be sent: [REDACTED]			(8) Name, Title, phone number, and mailing address of person to be notified in event of a defective invoice: [REDACTED]	
(9) Subcontractor Name	(10) Total Amount Subcontracted	(11) Previous Subcontractor Payments (Excluding Deductions)	(12) Subcontractor Amount Included in this Payment Estimate (Excluding Deductions)	(13) ** Subcontractor Earnings Deducted by Contractor (Total to Date)
<b>Your Subcontractors</b>	\$51,983.00	\$51,983.00	\$0.00	\$0.00
TOTAL	\$51,983.00	\$51,983.00	\$0.00	\$0.00

\*\* A written notice of any withholding shall be issued to a subcontractor (with a copy to the Contracting Officer) of any such notice issued by the Contractor, specifying (1) the amount to be withheld, (2) the specific causes for the withholding under the terms of the subcontract, and (3) the remedial actions to be taken by the subcontractor in order to receive payment of the amounts withheld. Attach copy of notification to pay estimate. Reference FAR 52.232-27(g).

I hereby certify, to the best of my knowledge and belief, that:

- The amounts requested are only for performance in accordance with the specifications, terms, and conditions of the contract;
- Payments to subcontractors and suppliers have been made from previous payments received under the contract, and timely payments will be made from the proceeds of the payments covered by this certification, in accordance with subcontract agreements and the requirements of Chapter 39 of Title 31, United States, Code; and
- This request for progress payments ~~does not include any amounts which the prime contractor intends to withhold or retain from a subcontractor or supplier in accordance with the terms and conditions of the subcontract.~~
- This certification is not to be construed as final acceptance of a subcontractor's performance.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 [REDACTED]  
 Typed Name and Title

Contractor Requested Earnings						Page 2 of 2 pages
(1) Contract No.: [REDACTED]		(2) Location and Description of Work: Kabul, Afghanistan			(3) Estimate No.: 5	
					(4) Invoice Date: 01/21/2009	
Activity No.	Activity Title	Activity Amount	Total Previous Earnings	% Earning To Date	Total Earnings To Date	Earnings This Period
000101	Planning and Design	\$20,000.00	\$9,000.00	45%	\$9,000.00	\$0.00
000102	Mobilization	\$50,000.00	\$50,000.00	100%	\$50,000.00	\$0.00
000201	Wall & Wadi Repairs	\$102,533.00	\$76,899.75	75%	\$76,899.75	\$0.00
000202	Gate One Security Upgrades	\$154,035.00	\$15,403.50	33%	\$50,831.55	\$35,428.05
000203	Gate Two Security Upgrades	\$312,705.00	\$31,270.50	33%	\$103,192.65	\$71,922.15
000204	Gate Three Security Upgrades	\$200,550.00	\$20,055.00	33%	\$66,181.50	\$46,126.50
000205	Gate Four Security Upgrades	\$145,365.00	\$14,536.50	33%	\$47,970.45	\$33,433.95
000206	Gate Five Security Upgrades	\$183,293.00	\$18,329.30	33%	\$60,486.69	\$42,157.39
000208	Sniper Screens	\$608,388.00	\$577,968.60	95%	\$577,968.60	\$0.00
0003	DBA Insurance	\$52,000.00	\$51,983.00	99%	\$51,983.00	\$0.00

Adjustment to Previous Activity Earnings				
Total activity earnings	\$865,446.15			\$1,094,514.19
Adjusted to previous earning to correct different between RMS and CEPMS	\$0.00			\$0.00
Total revised activity earnings	\$865,446.15	55%	\$1,094,514.19	\$229,068.04

	Total Previous Earnings	% Earning To Date	Total Earnings To Date	Earnings This Period
<b>Total Requested Activity Earnings</b>	\$865,446.15	55%	\$1,094,514.19	\$229,068.04
Stored Material included in Activity Earnings	\$0.00			
Additional Stored Material not included in Activity Earnings	\$0.00		\$0.00	\$0.00
Preparatory Work not included in Activity Earnings	\$0.00		\$0.00	\$0.00
Performance and Payment Bond not included in Activity Earnings	\$0.00		\$0.00	\$0.00
Less Subcontractor Deductions held by Prime	\$0.00		\$0.00	\$0.00
<b>Total Requested Amount</b>	\$865,446.15	55%	\$1,094,514.19	\$229,068.04

# Stored Materials



We do not pay for stored materials brought to the job site

Normally paid only on big ticket items such as steel, large mechanical and electrical components.

Must get prior approval from the Contracting Officer



# ***QC/QA Coordination Meeting***

## ***Monthly Progress Meeting***

# QC/QA Coordination Meeting



- Meeting between QA & QC to discuss any outstanding issues on the project.
- Held at a time determined by the contractor and the government.
- Generally held weekly.

# QC/QA Coordination Meeting



## Topics discussed:

- Look ahead schedule (2-week minimum)
- Safety implementation and concerns
- Job site housekeeping concerns
- Security
- Coordination concerns
- Submittals
- Outstanding RFI's, Change Orders, etc..

# QC/QA Coordination Meeting



- Attendees should include:
  - QC manager
  - Superintendent
  - Safety Officer
  - QA representative
  - Project Engineer (both ktr and government)

# Progress Meeting



- A minimum of 2 days prior to meeting KTR provides DRAFT copy of Pay Request Worksheet to COR
  - Hand carry
  - Email

## ***PROGRESS MEETING***

Draft Payment Certification Sheet

Verify subcontractor payment if applicable

Pay Request Worksheet

Annotated copy to accompany official pay request

Progress Photos

Updated Project Schedule

Narrative

Any changes to the schedule must be approved

# Pay Request



- Create the pay request in QCS (Do not check "ready" box)
- Print Contractor's Pay Request Worksheet
- Set up time to meet with the QAR to review worksheet along with schedule, stored material invoices.
- When percentages for payment have been agreed upon with QAR, the QAR will sign off on the worksheet (this must accompany the pay request before payment can be made), make corrections (if needed) and check "ready to send to government" box in QCS.
- Print the Payment Request Report in QCS  
Make sure you have entered the "thru" date.  
Include subcontractor payments
- Sign the report and give it to the QAR

# Discussion



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