

College Operating Procedures (COP)



Procedure Title: Payment to Contractors
Procedure Number: 04-0403
Originating Department: Office of Financial Services

Specific Authority: 1010.02; 1013.50
Board Policy 6Hx6:4.05
Florida Statute 1010.02; 1013.50
Florida Administrative Code 6A-14.073

Procedure Actions: Adopted: 07/93; 06/06, 01/10

Purpose Statement: This procedure establishes guidelines for processing and distributing payments to contractors during, and upon completion of, construction projects. The procedure applies to all vendors under contract with the College.

Guidelines:

This procedure applies to all vendors under contract with the college. Each Board shall adopt policies and procedures to be followed for all construction contracts and for making payments to the contractor. Final payment shall not be made until an Occupancy Certificate has been issued, the project has been completed, and the Board has accepted the project.

Procedures:

I. PAYMENTS DURING CONSTRUCTION

A. Contract Requirements

1. An invoice or Application & Certificate for Payment (AIA form G702) from the contractor, certified for payment by the project architect, must precede any payment during construction.
2. Payments during construction shall be in accordance with the contract and will be based on the architect's estimate of the percent of the work completed and, if approved by the architect, may include the cost of materials properly stored on the job site. Ten percent (10%) of the total cost of construction completed and materials stored to date shall be withheld as retainage.

3. The Facilities Department shall inspect properly submitted requests for payments for accuracy of the dollar amounts and percentage of completeness reflected on the statement.
4. Once it has been determined that the request for payment is correct and ready for payment, the Business Manager shall complete the F form entitled "Application for Payment."
5. The Construction Manager or Construction Supervisor (as appropriate) and the Director Facilities shall review and recommend approval or disapproval of the pay request by signature. The request is then sent to the Budget Administrator and then to Project Accountant for approval.
 - a. Only pay requests that are completely accurate will be accepted by FSW for payment.
 - b. In the event the accuracy of the pay request is disputed, the information supporting the dispute will be forwarded to the Project Accountant for resolution.
 - c. In the event any entry is changed on the pay request by marking through it the individual making the change shall initial the change.
6. A copy of the pay request shall be maintained in the project file.

B. Reduction of Retainage

1. Retainage requirements and the conditions for its payments, or the penalty to be paid by the contractor for failure to comply with the time limits of the contract shall be in accordance to the contract and Board policy.
2. Retainage may be reduced to as little as five percent (5%) of the total contracted cost upon certification by the architect that the job is substantially complete and upon approval by the President.

II. FINAL PAYMENT

- A. The President shall withhold final payment until all of the following conditions are met in full:

1. The project architect certifies in writing that all work has been completed in accordance with the approved contract documents.
 2. The Board inspects and accepts the construction.
 3. A Certificate of Final Inspection (CFI) is received from the State Department of Education Office of Educational Facilities Construction (OEFC). This step is not required for construction projects which are locally funded and which, because of the relatively small cost, do not need to be submitted to OEFC for plan approval.
- B. Should any items from the "punch list" remain undone, the President shall withhold from the final payment a sum equal to three (3) times the architect's estimate of the completion cost for the items.
- C. The Board may authorize the District President to withhold the Board Attorney's estimate of liquidated damages from the final payment.