

College Operating Procedures (COP)



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

Specific Authority:

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

Procedure Actions: Adopted: 07/1993; 06/2006, 01/2010; 01/20/2021

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 be made per college / contractor contract requirements.

Procedures:

I. PAYMENTS DURING CONSTRUCTION

A. Contract Requirements

1. An invoice or Application & Certificate for Payment (AIA form G702) or contractor invoice containing a SOV from the contractor, certified for payment by the project architect or engineer as applicable, 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 or engineer's approval of the percent of the work completed and, if approved by the architect or engineer, 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 Facilities Coordinator shall submit an application for payment through Adobe sign or similar software.

5. The Construction Manager and the Director Facilities shall review and recommend approval or disapproval of the pay request by signature. The request is then sent to Accounts Payable to process.
 - 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 Construction Manager 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 digital 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 Director of Facilities shall withhold final payment until all construction contract conditions are met in full:
- 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 President to withhold the Board Attorney's estimate of liquidated damages from the final payment.