

PROGRESS PAYMENTS

Increase accuracy and efficiency of applications.

Contract documents need to clearly define the process for preparing and submitting Applications for Payment, so that the Owner, Contractor, and Design Professionals may avoid unnecessary delays in processing applications.

- The Owner should establish the date of each month for the Owner's receipt of the approved payment applications.
- Prior to first Application for Payment, the Contractor will submit a schedule of values to the Design Professional and the Owner.
- Prior to each Application for Payment, Contractor should review a rough draft with the Design Professional and the Owner.
- After approval of rough draft, Contractor shall submit Application for Payment to Design Professional along with documentation as required by the contract. The Design Professional shall review the application and forward it to the Owner for review within three business days. Any reasons for not approving the application, in whole or in part, should be stated in writing.
- Providing rough draft review and adequate time for final review may expedite the approval process for progress payments.
- The Owner shall convey the application to the disbursing agent in sufficient time for prompt payment, based on the date established in the contract.
- It is required that payments be made at a reasonable time as stipulated within the contract from the date the Application for Payment is submitted to the Design Professional.
 - Timely payment may be defined by Missouri's Prompt Pay statutes (section 34.057) which require public owners to pay contractor the amount due, less retainage, within 30 days following receipt of complete payment application. It is suggested that this also apply to private work
- Upon receipt of payment from the Owner, Contractor should promptly remit payment to Subcontractors and Suppliers.
- Cost breakdowns shall differentiate between work in place and stored materials. Where payment for stored materials is requested, the Contractor shall confirm that requirements for materials stored on and off the site have been satisfied.
- The Agreement should clarify the rights of the parties in the resolution of disputes or in event of failure to fund the application.

REFERENCES:

AIA A201 General Conditions

AIA G702 & G703 – Application for Payment & Continuation Sheet respectively

Owner/Contractor Agreement and General Conditions, ConsensusDOCS 200

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Greater St. Louis Chapter, Construction Specifications Institute
St. Louis Chapter of International Facilities Management Association

Guidelines for Partial Lien Waivers and Retention
CSI Project Delivery Practice Guide
RSMo Section 34.057 (prompt pay statutes)
31 USC Sections 3901-3905 (Federal Prompt Pay Act)

Issued: 2001
Revised: 2008, 2013, 2018

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